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MID-MARKET PAC
870 Market Street #456
San Francisco, CA 94102
415-362-2500
Fax 415-362-6128
www.midmarketpac.org

A committee of the San Francisco Redevelopment Agency

MEMBERS

Chair
Byron Yee

Vice-Chair
Carolyn Diamond

Craig Adelman
Patrick Banks
Katherine Bernitt
Duane Carlson
Mark Casagranda
Marty Cerles
MaryEllen Churchill
Linda Corso
John Elberling
Anthony Faber
David Hart
Tom Hart
Walter Jones
Ralph Lee
Richard Livingston
Justin Logan
Malik Looper
Samuel Noily
Lesley Pierce
Patrick Simms
Eric Tao
Badru Valani
David Wilbur
George Williams

Agenda

Mid-Market Project Area Committee Meeting Wednesday, January 14, 2004 Ramada Plaza Hotel 1231 Market Street 5:30 -7:30 pm

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I.	**Welcome and Introductions**	**(5 Min.)**
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)** **Election of New PAC member (Action Item)**	**(10 Min.)**
IV.	**Mid-Market Special Use District** **Discussion and approval of PAC's Recommendations to the Redevelopment Agency & the Planning Dept. (Action Item)**	**(80 Min.)**
V.	**Agency Staff Report** **Next Steps**	**(10 Min.)**
VI.	**PAC Staff Report**	**(5 Min.)**
VII.	**Public Comment**	**(5 Min.)**

PLEASE BE ON TIME!

Reminder:There are openings on the Mid-Market PAC in the following categories:

*Residential Owner Occupant	3 seats
* Residential Tenant	3 seats
* Commercial Tenant	1 seat

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MINUTES
Mid-Market Project Area Committee
January 14, 2004

Members Present: Craig Adelman, Patrick Banks, Katherine Bernitt, Duane Carlson, Mark Casagranda, Marty Cerles, MaryEllen Churchill, Linda Corso, Carolyn Diamond, John Elberling, Anthony Faber, David Hart, Tom Hart, Ralph Lee, Justin Logan, Samuel Noily, Lesley Pierce, Patrick Simms, Eric Tao, Badru Valani, David Wilbur, George Williams, Byron Yee

Members Absent: Richard Livingston

Staff: Lisa Zayas-Chien, Pedro Arce

Welcome & Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: Duane Carlson distributed a letter from the Planning Dept. dated December 12, 2003 noting that the EIR scope of work for the proposed 1177 Market Street project (Trinity) had been revised. The EIR will now analyze the following issues:

* Displacement of the tenants and its potential significant impact
* A mid-sized super market alternative
* A no-displacement alternative

Also, Carlson distributed copies of a revised tenants assistance relocation package that was recently given to Trinity tenants.

Approval of PAC minutes: The minutes of the December 2003 PAC meeting were approved.

Election of a new PAC member: Chair Yee announced that PAC member Walter Jones was no longer with the Seligman organization. Jones held a seat on the PAC as a Commercial Property Owner. Daniel O'Leary of

Seligman held this original seat and has returned to reclaim the seat. Chair Yee introduced O'Leary and asked for a brief statement. O'Leary reminded the group that he held this seat as Seligman's representative but due to family obligations had to turn over the seat to another Seligman representative. Now that Mr. Jones was no longer with the company O'Leary would like to return to the PAC and continue representing Commercial Property Owners. O'Leary stated that he had continued to follow the progress of the PAC and was informed on the issues.
A motion was made and a vote called. O'Leary was approved unanimously.

Mid-Market Special Use District (Action Item):

Lisa Zayas-Chien began this discussion by handing out an explanation of Floor Area Ratio, a summary of zoning classifications in the Project Area and four maps of the proposed Project Area and Special Use District outlining Historic Resources, Planning Code Height & Bulk Districts and Planning Code Use Districts. She went through a brief explanation of these hand-outs noting that the MM SUD sits in the Planning Code and would overlay the City map.

The proposed Mid-Market Special Use District has some "big ideas" that will allow and control the future development of Mid-Market. The FAR proposals are significant in their appeal to development. Other "big ideas" are historic building conversions to live/work. This will bring new life to vacant historic sites. FAR bonuses will be effective for housing. Means for FAR bonuses for arts/cultural facilities are being sought and good neighbor policies are written in for liquor shops.

The discussion then turned to questions and concerns that were submitted to PAC staff. All of these submissions were copied and each PAC member was given copies at the beginning of the meeting. Over 35 questions and comments were brought up for discussion by the PAC. However, not all of the submitted questions and comments were covered and time was running out. Chair Yee asked the group if they wanted to continue the discussion at a Special PAC meeting on Jan. 28th or if the group was willing to stay and finish this item. The group decided to stay. Chair Yee asked the individuals who had submitted questions and concerns if they were willing to pass and then the PAC could call for a vote on the changes that had been made so far. Those that waived their questions were PAC members Duane Carlson and David Wilbur. Questions and comments were also submitted by Jeremy Nelson of Transportation for a Livable City and these were not reviewed.

It was noted that the vote by the PAC was to recommend the submission of this draft SUD to the Redevelopment Agency and the Planning Department for their review. This was **not** the final MM SUD document and there would be other opportunities to further discuss the contents of the document and its meaning.

The following were changes to the Mid-Market Special Use District made by the PAC:

From Marty Cerles:

Page 1 (a) Purposes: delete "other" - line 10 after support

Page 9 (C) Non-Residential Parking

(i) Amount permitted. Marty Cerles requested the parking for hotels/motels should be exempt from not being able to request more parking that the 15 spaces or 7% of total gross floor area. Hotels/motels provide all day and overnight parking, which do not qualify as short term parking.

Pedro will insert something into the language to accommodate hotel/motel parking.

From David Wilbur:

Page 2 (iii) Arts, Cultural and Entertainment Facilities last sentence. Delete the phrase," but excludes commercial recreational activity." End the sentence after "similar entertainment activities"

Move this section (Page 2 (iii)) to Section 7 (B)

From the PAC:
Replace the language regarding 1 for 1 replacement of housing. This was agreed to by the PAC but the specific language was not written.
The following motion was made and seconded: "Adopt the SUD as is with the changes made at the January 13th PAC meeting."

The vote was called; there were 18 ayes and 2 no. The motion passed.

Agency Staff Report: NEXT STEPS: Due to the late hour Lisa Zayas-Chien had two brief announcements. She noted that a Planning Department person will come to the PAC meeting to discuss the SUD.

Also, she distributed copies of the WORKING DRAFT of the Redevelopment Plan for the Mid-Market Redevelopment Project. This document will be reviewed in full by the PAC in a scheduled PAC meeting.

The meeting adjourned at 8:10 pm

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Agenda

Mid-Market
Project Area Committee Meeting
Wednesday,
February 11 , 2004
Ramada Plaza Hotel
1231 Market Street
5:30 -7:30 pm

I.	Welcome and Introductions	(5 Min.)
II.	PAC Announcements	(5 Min.)
III.	Approval of PAC minutes. (Action Item) Election of New PAC member (Action Item)	(10 Min.)
IV.	Discussion and approval of letter of support for State Compensation Ins. Project at 55 9th Street (Action Item)	(15 Min.)
V.	Presentation of BART's TOD Guidelines Peter Albert Manager, BART Planning	(15 Min.)
VI.	Expanding the Project Area boundaries A request from property owners at 10th And Mission Street (1415 Mission St.) to be included In the Mid-Market Redevelopment Project Area	(35 Min.)
VII.	Agency Staff Report Jose Campos –presenting SB 2113	(25 Min.)
VIII.	PAC Staff Report	(5 Min.)
IX.	Public Comment	(5 Min.)

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Wayne Wong

Minutes
Mid-Market Regular PAC Meeting
February 11, 2004

Members Present: Craig Adelman, Patrick Banks, Katherine Bernitt, Duane Carlson, Marty Cerles, MaryEllen Churchill, Linda Corso, Carolyn Diamond, John Elberling, Anthony Faber, David Hart, Ralph Lee, Richard Livingston, Samuel Noily, Lesley Pierce, Patrick Simms, Badru Valani, David Wilbur, George Williams, Byron Yee

Members Absent: Mark Casagranda, Tom Hart, Justin Logan, Malik Looper, Daniel O'Leary, Eric Tao

Staff: Lisa Zayas-Chien

Welcome & Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: PAC member Duane Carlson of Trinity Development announced that the proposed "No Demolition" legislation by Supervisor Chris Daly had been approved by the Board of Supervisors by an 8 to 3 vote.
Carlson stated that this would be the end of Trinity's efforts to re-vamp and re-vitalize Market Street. On February 24th the Board of Supervisors will vote again for the "second reading". Carlson told the group that they could call him for Supervisor's contact information.

Approval of PAC minutes: The minutes of the January meeting were approved.

Election of a New PAC member: Chair Yee introduced Mr. Wayne Wong of NRG Energy Center at 410 Jessie Street. Mr. Wong gave a brief history of NRG Energy and a brief personal history. Mr. Wong was elected to a **Commercial Tenant** seat.

Discussion and approval of letter of support for State Compensation Insurance Project at 55 9th Street: Prior to this meeting PAC staff had e-mailed a new drafted version of a letter of support

for the State Compensation Insurance Fund (SCIF) project. Hard copies of this letter were also available at the meeting for PAC members and guests. Chair Yee called this agenda item and gave the PAC a few minutes to review the letter. He noted that the letter was recommended for approval by the Projects Committee. A vote was called and this drafted letter of support addressed to the Planning Commission was approved. PAC staff will send the letter.

Presentation of BART's TOD Guidelines: Mr. Peter Albert of BART presented Transit Oriented Development (TOD) guidelines that have been developed by his agency. The guidelines include transit village concepts, a mix of land uses, high density developments with commercial and residential aspects, open spaces and pedestrian orientation concentration.

PAC member George Williams asked how these guidelines fit with redevelopment. Mr. Albert noted that developers could use the guidelines that BART has developed and work with transit professionals to make good development decisions. Bart is available to advise on development around the transit stations in the Mid-Market area. Mr. Albert distributed BART's TOD Guidelines booklet.

Expanding the MM Project Area Boundaries: Mr. Jeffrey Heller of Heller Manus Architects and Mr. Jim Reuben of Reuben and Alter presented the proposal of expanding the MM Project boundaries or the MM SUD boundaries.

The site they want to include in the boundaries is the south west corner of 10th and Mission Streets (1415 Mission Street). This site is now occupied by MichelinTire Store. Michelin will not renew its lease on the property. Once Michelin vacates, the site will be vacant and under utilized. It was noted that this is the only corner of the 10th and Mission intersection that was not included in the boundary area.

The owners of the property want to develop the site with residential units. The advantages of being within MM Project boundaries or MM SUD boundaries are evident for this residential proposal. Under current City Planning guidelines 55 units of housing may be constructed, under the blanket of Mid-Market 132 units may be developed with parking below grade. Mid-Market provides for a much better planning mechanism.

The presenters acknowledged that boundary expansion raises the concern of delaying the completion the Mid-Market Redevelopment Plan. Mr. Reuben stated that the owners' representatives would begin the necessary paperwork immediately and they hoped that they could complete it prior to the completion of the MM Plan. We will try not to "miss the train." There is no intent to delay the completion of the MM Plan.

Lisa Zayas-Chien noted that changing the Project boundary will require the Redevelopment Agency to notify the CA State Board of Equalization of the request. The Board of Equalization has up to two months to look at this request. The expansion of Project Area boundaries or the expansion of the MM SUD boundaries will both take time. Changing Project Area boundaries will require an addendum to the EIR. If the

Project Area boundaries are going to be changed it must be done right away. If SUD boundaries are going to be changed it is not so immediate.

Craig Adelman commented that this is a good indication of our SUD effectiveness.

George Williams asked if it would be simpler to go with the City's new zoning controls and if these would give the developers what they want. Reuben responds that City Planning new controls will not be ready or in place by the time their project is ready for development.

Bob McCarthy asked will there have to be an addendum to the EIR since three of the four corners have already been studied.

George Williams asked what are the implications in terms of time?

Zayas-Chien responded that the SUD boundary change would be approximately one month. The MM Project Area boundary change would be approximately three to four months.

Adelman commented that he doesn't hear anyone objecting to the change of boundaries and that the presenters should obtain the necessary information and approximate timeline and bring this information back to the Projects Committee for review. The presenters agreed to this plan.

Senate Bill 2113: Jose Campos of the Redevelopment Agency was scheduled to present information regarding SB 2113. However, he could not attend so Lisa Zayas-Chien gave a brief presentation.

Senate Bill 2113 would allow for an extension of collection of tax increment monies from Redevelopment Plans developed before 1994. The tax increment revenue collected would be used to build affordable housing.

This Bill would not extend the life of a Project Area, it would address the extension of life of the bonding capacity and a fiscal extension. To qualify for the extension there must be a housing element plan in place.

Next Zayas-Chien distributed information on Mid-Market's fiscal 2004 -2005 budget. he MM budget shows $424,926 for MM planning efforts.
From the City wide housing fund MM will seek $2 million for affordable housing projects: 10th & Market Street and 10th & Mission Street projects. (One million each). There will be more information later on the MM budget.

PAC Staff Report: Lynn Valente reported that she attended the Tenants Action Coalition meeting in North of Market and gave that group an update on Mid-Market's progress.

Public Comment: Mercy Housing representatives distributed flyers for their second community planning meeting to provide an update on plans for the affordable housing project at 10th & Mission Street.

NOMPAC will be hosting a pancake breakfast on February 14th.

The meeting was then adjourned.

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Mid-Market
Project Area Committee Meeting
Wednesday,
March 10 , 2004
Ramada Plaza Hotel
1231 Market Street
5:30 -7:30 pm

I.	Welcome and Introductions	(5 Min.)
II.	PAC Announcements	(5 Min.)
III.	Approval of PAC minutes. (Action Item)	(5 Min.)
IV.	1400 Mission Street Senior Housing (TNDC And Citizens) Recommendations on basic Concept design (Action Item)	(20 Min.)
V.	10th and Mission Family Housing 9th and Jessie Senior Housing (Mercy Housing) Recommendations On design (Action Item)	(20 Min.)
VI.	Projects Committee Report	(50 Min.)
	1. Recommendation on Boundary Changes to the Project Area and/or the Special Use District. (Action Item)	
	A. 1415 Mission Street B. City Center Associates – 4 lots)	
	2. Redevelopment Plan Review Process	
VII.	Agency Staff Report	(5 Min.)
	Project Update	
VIII.	PAC Staff Report	(5 Min.)
IX.	Public Comment	(5 Min.)

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Wayne Wong

Minutes
Mid-Market Regular PAC Meeting
March 10, 2004

Members Present: Patrick Banks, Katherine Bernitt, Duane Carlson, Marty Cerles, Linda Corso, Carolyn Diamond, John Elberling, Anthony Faber, Ralph Lee, Richard Livingston, Justin Logan, Samuel Noily, Daniel O'Leary, Lesley Pierce, Eric Tao, Badru Valani, David Wilbur, George Williams, Wayne Wong, Byron Yee

Members Absent: Craig Adelman, Mark Casagranda, MaryEllen Churchill, David Hart, Tom Hart, Malik Looper, Patrick Simms

Staff: Jose Campos, Lisa Zayas-Chien

Welcome and Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: There were no announcements

Approval of PAC minutes: The minutes of the February meeting were approved.

10th and Market Street Project

1400 Mission Street Senior Housing: Jeff White of the housing division of the SF Redevelopment Agency introduced this project which is located at the corner of 10th and Market Streets. There are three elements of this project, two residential elements (one is for seniors) and an office building. White explained the role of the Agency in the senior housing element of the project. This must comply with design guidelines and will be reviewed at the Redevelopment Commission on April 20th.

Valerie O'Donnell of TNDC and Alex Galovitch of Citizens Housing introduced themselves and explained that this project is being developed jointly by their two organizations.

Leo Chow, the architect of the project, gave an over view of the project. Chow explained that the project consisted of three buildings, 2 buildings are residential and one is an office tower. The entire project will host residential units, offices, parking, open space, day care/play area, a "town square" and active ground floor uses including retail. The design is sensitive to pedestrian levels and uses in order to make the pedestrian experience a positive one. The design creates step down heights in the project. The Market Street site (a municipal office building) is 320 feet and as the project moves south the height drops to 200 feet then to 150 feet.

Some of the other elements in the project discussed were the "town square" concept which will be between the two residential buildings. It is an indoor space but can be opened to the outside. Both lobbies open into the square. It will be use for casual meetings, home-owners association meetings and in the future they may consider allowing it to be used by community groups. Behind the "town square" there is residential open space. All parking uses are sheltered from the street.

The senior residential element is 15 stories in height, 13 stories are residential and 2 stories are public and common areas.

Comments and questions followed.

Q. In Mid-Market the pedestrian environment is important. What analysis according to context and the neighboring SF Mart has been done and how does this design fit in and affect pedestrians?

A. There has been considerable attention to the pedestrian environment. There will be active street front uses and the effect of this is the slowing down of pedestrians making the environment calmer.

Q. What is the difference of active uses vs retail?
A. Retail is a sub-set of active uses. Other active uses may include galleries, arts components or some other type of non-profit activity. Active uses may come from the outside such as retail patrons on street levels. Other active uses on the second floor would come from inside the building. This would include such things as a laundry room or a fitness center.

Q. Where is the open space for the office building?
A. At the corner of Market and 10th. It is a sheltered space designed to create a "soft corner". It is designed to de-accelerate the wind.

Q. Where is the parking and how much parking is there?
A. The parking is in the center of the building. The office building will have 88 or 90 spaces in the first basement. The senior housing will have 8 to 10 spaces in a shared garage. It will most likely be phased in later.

Q. Is the end wall at 10th street living units with windows or is it a concrete wall?

A. It is a wall of living units with windows. The glass element brings in the light.
Comment: It should be noted that the building is turned toward the sidewalks. This is a good component of the design.

Q. Do you have to vacate the alley?
A. There is only a piece of the alley in this project. We needed it for egress and ingress space. This space is at the mid point of the project. We are moving the traffic away from the intersections.

Q. How much sun will the open space receive?
A. It will get sun part of the day. The area's tall buildings prevent all day exposure.
Comment: The design of the building interacts with the street all along 10th.

Q. What is the lease or rent?
A. We have planned a building for low-income seniors. Generally the rents are 30% of income.

This concluded the Q & A portion.

Chair Yee notes that this is an action item and asks the PAC for a recommendation on the design. There are comments that although the renderings and presentation were helpful there is not enough information to recommend the concept design.

Chow responds that further approvals on the design will have to be sought at a later date. In approximately 9 months the design will be more complete with schematics and skin.

Chair Yee asks if the PAC would recommend the design based on what we have seen so far.

David Wilbur comments that he does not feel he has enough information to approve the design. Is this going to be a green building, what is the façade, and other questions have not been answered.

George Williams states that he wants an opportunity to ask more questions. He asks if this can go to a Monday Projects meeting.

Chow says that he can return at a later date with schematics, facade details, skin selections etc.

Chair Yee recommends that another presentation be made at a Projects Committee meeting (a sub-committee of the full PAC) at a later date. No vote is called on this item.

10th and Mission Street Project
Mercy Housing for Family and Seniors: Mr. Merle Malakoff of Mercy Housing began this presentation. He noted that this project would also come back to the PAC for review. He explained that the Mercy Housing project consisted of two developments: family housing and senior housing units. The family housing development has 127 units of varying sizes in a 10-story building. It has street frontage on 10th, Mission and Jessie Streets. The senior housing development has 104 units also of varying sizes in an 8-story building. It has street frontage on 9th and Jessie Streets. Their funding will hopefully allow for 30% of income rental rates.

The architect of the project then gave an over view presentation. The whole project is bound by 9th, 10th, Mission and Jessie Streets. There are plans for commercial uses on the ground floor space along Mission and 10th Streets. There are proposals for retail, a diner, a boys and girls club and a space for cultural activities on street level.

Parking is accessible off Jessie Street. On the street level of the senior housing site there is common space and space for Mercy Housing offices. The Mercy Housing administrative offices are proposed for the second floor.

The facade treatment of the buildings has not been determined yet.

Questions and answers followed:

Q. How much parking is there and where are the entrances?
A. In the family development the ratio of parking is 1 to 4 in the senior development the ratio is 1 to 20. The site is constrained and can only put 40 spaces there, which is code. The access is off Jessie Street.

Comment: This does not seem fair to families, most low income families have a car.

Comment: In the site plan it appears the lobby is tucked in, it should be opened to 10th Street. Tucking it in is a mistake. Lobbies are active uses and help keep the street active.

Q. Have you talked to Car Share?
A. Yes, we will be discussing issues with them.

Comment: Increase your bike parking. Activate Jessie Street alley with treatments of color, arts or other physical treatments. Use the 7th and Mission garage for your parking needs. Response: This is a challenge; we are working with lighting, plants, screens to make this section more attractive. Half of this façade has to be open.

Comment: In this design it looks like it goes directly to the sidewalk, it is flat with no public space.

Q. The height facing Jessie alley looks too high in proportion to the rest of the area. Will you re-look at this?
A. We are looking into this.

Comment: I think this is a poor use of the site. It is a low building next to high buildings. The use of space is poor; the use of San Francisco real estate is poor. Overall it looks like a bad design.

This concluded the discussion. Although it was listed as an action item on the agenda, no vote was called.

Recommendation on Boundary Changes to the Project Area and/or the Special Use District (Action Item) Lisa Zayas-Chien began with a brief statement on the request from two properties (1415 Mission Street and City Center (4 lots) to expand the Mid-Market project area and/or Special Use District (SUD) boundaries. Jose Campos of the SF Redevelopment Agency then addressed the issue. He noted that the project boundaries have been expanded once already to 10th Street and that the SUD boundaries were extended a bit beyond the project boundaries, especially north of Market St., so that development could be consistent with Market Street.

The SUD in the CM zones will have benefits and are currently being reviewed with the Planning Dept. The City Center property under the MM SUD could have significant benefits. To extend the SUD boundary to this site would require an addendum to the current MM EIR.

The Project Area boundary expansion to cover 1415 Mission Street would be a lengthy process requiring several steps including amending MM maps, submitting required documentation to the State Board of Equalization, and addendums to the MM EIR. It would be re-starting the whole process. Jose noted that the increase in tax increment revenues cannot be the sole purpose of expansion of project boundaries.

Jose stated that the staff recommends not expanding the Project Area boundaries to cover 1415 Mission Street. He also stated that staff is not ready to make a recommendation of expanding the boundaries of the SUD.

Discussion followed:
Samuel Noily who is representing the City Center property which consists of 4 lots explains that part of the site is in the MM Project Area and part of the site is not. He wants the site under one jurisdiction so that development is more likely. If there is a

housing development on the site, more units can be built under the MM Project Area or under the MM SUD.

Linda Corso stated that since housing is one of our main objectives she would strongly support and encourage at least extending the SUD boundaries to cover the whole site.

George Williams stated that these are not the only alternatives; there may be others under the Planning Dept.

Noily noted that the "Housing Element" needs to be in place before a Redevelopment Project Area is declared. Not changing boundary lines because it may cause a delay is not reasonable because it is most likely that the boundary lines can be expanded before the Housing Element is completed.

Patrick Banks agreed with Noily.

Eric Tao stated that he does not see any repercussions to extending the boundaries other than time. He asks if there are any other repercussions.

Jim Rueben who represents the 1415 Mission Street property was asked to discuss his site and the expansion of Project boundaries. He had comparsions of the housing developments that could be built if the property was under the MM Project Area and/or the MM SUD as opposed to not being under one of these. The drawings showed a much larger project if it was covered by MM boundaries. He asked the group not to risk having the smaller project vs the larger one with underground parking etc. He also noted that the Projects Committee had voted to recommend the expansion of boundaries.

Bob McCarthy stated that he did not see that the extended 75 to 90 day waiting period to expand the boundaries would interrupt the critical path.

Jose responded that this sets precedent of opening it up to others who want the boundaries extended. Also, it triggers a whole new process.

George Williams asked if Samuel Noily had contacted Jim Meko from the South of Market planning group as requested by Dave Wilbur at the Projects Meeting. Noily responded that he had contacted him but as yet has not received a response.

David Wilbur responded that he is on the South of Market PAC and does not think that Meko's group would object to the extension of boundaries.

Linda Corso asked that a vote be taken and put forth a motion to extend the SUD and MM Project boundaries. George Williams asked that the motion be amended to have a phrase that it is contingent on revisiting the issue if there is opposition from the community. He also requested that the two properties have separate votes.

The formal motion made was: " Include both 1415 Mission Street and City Center in the MM Special Use District contingent on the understanding that if there is opposition from the community within 30 days we will re-visit the issue."

This motion passed 15 ayes, 0 no, 1 abstain.

The next motion made was: " Include both 1415 Mission Street and City Center in the MM Project Area contingent on the understanding that if there is opposition from the community within 30 days we will re-visit the issue."

This motion passed 15 ayes, 0 no, 1 abstain.

Agency Staff Report Lisa Zayas-Chien distributed a "Program description, achievements and goals for the MM Survey area from July 1,2004 – June 30, 2005. This also included a projected fiscal year 2004-2005 work program revenues and costs budget. This projected budget will be presented to the Redevelopment Commission on the 16th. There will be more discussion on the budget at a later date. The PAC funding has been increased in order to cover the costs of a new PAC election once the MM area is declared a Project Area.

Public Comment: Guest Kaye Griffin commented that the 10th and Mission project design is disingenuous, "Seeing it on paper is different than it being there. It will not fly from a planning standpoint."

The meeting was then adjourned.

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Agenda

Mid-Market Project Area Committee Meeting
Wednesday, April 14 , 2004
Ramada Plaza Hotel
1231 Market Street
5:30 -7:30 pm

MEMBERS

Chair
Byron Yee

Vice-Chair
Carolyn Diamond

Craig Adelman
Patrick Banks
Katherine Bernitt
Duane Carlson
Mark Casagranda
Marty Cerles
MaryEllen Churchill
Linda Corso
John Elberling
Anthony Faber
David Hart
Tom Hart
Ralph Lee
Richard Livingston
Justin Logan
Malik Looper
Samuel Noily
Daniel O'Leary
Lesley Pierce
Patrick Simms
Eric Tao
Badru Valani
David Wilbur
George Williams
Wayne Wong

I.	Welcome and Introductions	(5 Min.)
II.	PAC Announcements	(5 Min.)
III.	Approval of PAC minutes. (Action Item)	(5 Min.)
IV.	Projects Committee Report	
	Discuss feedback from South of Market community regarding boundary changes (Action Item)	(15 Min.)
	Forward design review comments of TNDC/Citizens Housing and Mercy residential projects at 10th and Mission (Action Item)	(15 Min.)
	Present Projects Committee recommended changes To the Mid-Market Redevelopment Plan (Action Item)	(50 Min.)
V.	Agency Staff Report	(15 Min.)
	Project Schedule Progress Report on Mid-Market Special Use District	
VI.	PAC Staff Report	(5 Min.)
VII.	Public Comment	(5 Min.)

PLEASE BE ON TIME!

Reminder:There are openings on the Mid-Market PAC in the following categories:

*Residential Owner Occupant	3 seats
* Residential Tenant	3 seats

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Patrick Simms
Eric Tao
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David Wilbur
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Wayne Wong

Minutes
Regular Meeting
MM PAC
April 14, 2004

Members Present: Craig Adelman, Katherine Bernitt, Duane Carlson, Marty Cerles, MaryEllen Churchill, Carolyn Diamond, Anthony Faber, Tom Hart, Ralph Lee, Justin Logan, Samuel Noily, Lesley Pierce, Patrick Simms, Badru Valani, David Wilbur, Wayne Wong, Byron Yee

Members Absent: Patrick Banks, John Elberling, David Hart, Richard Livingston, Malik Looper, Daniel O'Leary, Eric Tao, George Williams

Agency Staff: Lisa Zayas-Chien

Welcome and Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: Anthony Faber announced that Central City Extra was putting out funding requests.

Approval of Minutes: The minutes of the March meeting were approved.

Projects Committee Report:

a.) **Discuss feedback from South of Market community regarding boundary changes - (Action Item)**

In March 2004 the Mid-Market PAC voted to place new properties at 10th and Mission Street into the Mid-Market Project Area boundaries contingent on the understanding that if there was opposition from the South of Market community within the next 30 days the issue would be re-visited.

The properties are:

City Center represented by PAC member San Noily. This property is on the southeast corner of Mission Street and Tenth Street. It is a property that consists of 4 lots. Of these four lots only the two that are fronting on Mission Street are included in the proposed Mid-Market Project Area.

1415 Mission Street represented by Jim Rueben. This property is on the southwest corner of Mission Street and Tenth Street. The property was home to a tire store. The tire store is vacating this location.

Recently both representatives made presentations to the SoMa Leadership Council, co-chaired by Mr. Jim Meko, to inform the South of Market community that they have requested that their respective properties be placed into the proposed Mid-Market Redevelopment Project Area boundaries.

Mr. Meko was present at the PAC meeting and gave a brief history of the SoMa Council and their dealings with City Planning's zoning and planning issues. He told the group that the South of Market community gave and gave to residential development during the dot com boom and that housing was not their top priority. They would like to retain the SLR zoning. He noted that the Council does not have a problem with the addition of 1415 Mission Street into the boundaries. Peter Cohen of Urban Solutions added that Redevelopment needs to blend with the area planning as a whole. Meko states that the Council would be flexible. Carolyn Diamond asked what are the next steps. It was agreed that another meeting with the SoMa Leadership Council would be arranged and the addition of the 2 blocks of City Center would once again be discussed. There was no vote on this issue.

b.) Forward design review comments of TNDC/Citizens Housing and Mercy residential projects at 10th and Mission. (Action Item)

TNDC/Citizens Housing presented the Senior residential element of their 1400 Mission Street Project to the full PAC in March 2004. The PAC felt they did not have enough information on the project to recommend on the basic concept design. TNDC/Citizens was asked to return to the MM PAC Projects Subcommittee and provide more information. TNDC/Citizens presented to the Projects Committee on April 1, 2004. A letter recommending the basic concept design of this project was drafted after this presentation. The full PAC was e-mailed the letter in advance of this action item. A vote to approve this letter of recommendation was taken and the letter was approved. The letter will be sent to the Redevelopment Agency Commissioners.

Representatives of Mercy Housing gave a brief update on their project and told the group that they plan to come back to the PAC with a fuller information package.

c.) Present Projects Committee recommended changes to the Mid-Market Redevelopment Plan (Action Item)

Lisa Zayas-Chien began this discussion by making sure everyone had a copy of the "Comments on the Working Draft" chart she had developed. Each PAC member was provided with this chart via e-mail prior to this meeting.

After some discussion it was decided to go over each item one at a time.
#1. This item was rescinded
#2. Agency staff will present this to their legal counselor (legal) and executive staff. PAC agreed
#3. Agency staff agreed with comment. PAC agreed
#4. Agency staff will present this to legal to review. PAC agreed
#5. Agency staff proposes to formally explore merger with Yerba Buena Center. Projects Committee supportive of looking into mergers in general and with the YBC Project. PAC agreed with Projects Committee.
#6 Agency staff will clarify. PAC agreed
#7. All items included in #7 will be clarified and presented to legal. PAC agreed.
#8. Agency staff OK'ed the request for clarification. PAC agreed.
#9. Agency staff will present to legal. PAC agreed.
#10. Agency staff will present to legal. PAC agreed
#11. Agency staff will present to legal. PAC agreed.
#12. Section 3.6 Signs, Billboards and Skyline Signage will be put in the Special Use District. Agency and PAC agreed.
#13. This item is being worked out between depts. for clarification. PAC agreed.
#14. Agency staff will present to legal. PAC agreed
#15. The first 2 items in #15 will be presented to legal for clarification. The third item had no recommendation from the Projects Committee. It should be discussed by the full PAC after clarification is obtained. PAC agreed.
#16. through # 22 Agency staff will present to legal. PAC agreed
#23. Revised Goal under Transportation and Parking. PAC agreed with revision.
#24. Sent back to Projects Committee.
#25 through # 30 Revised Goals under Transportation and Parking. PAC agreed with revisions.
#31. Transportation and Parking F1 Short-Term Parking Facilities. The language of this item was amended by the PAC. The words "more than two" and "needed" in the first sentence were deleted. The PAC voted on this amendment and it was approved with Yes 10 No 4.
#32. This revision was recommended by the Projects Committee and the PAC agreed.
#33. This revision was recommended by the Projects Committee and the PAC agreed.

Next, this motion was made: "Move to accept with changes that were made, with the exception of item #24, and forward these comments to the Redevelopment Agency for incorporation into the Draft Mid-Market Redevelopment Plan or for clarification." A vote was called on this motion and it passed unanimously.

Agency Staff Report

a.) Project Schedule – Zayas-Chien reported that the process work of expanding the Mid-Market boundaries had not started. PAC members reacted. PAC member Craig Adelman expressed his concern on the lack of action. He noted that the Agency's concern was that the expansion of boundaries may slow down the MM process and now the Agency, by not beginning the necessary work, is slowing down the process. He requested a written statement from Agency staff on what the staff intentions are and how staff plans to proceed. Secondly he requested an update on the City's Housing Element. PAC member Samuel Noily asked if the Agency saw the vote of the MM PAC to expand the boundaries just as a recommendation. The clock should have been started, we talked about parallel timing. Zayas-Chien responded that there have been questions about the expansion at the Agency and the Planning Dept. had issues. Making boundary changes are real "policy level issues."

b.) Progress Report on MM Special Use District – Zayas-Chien reported that staff will be discussing substantive issues of the MM SUD with the Planning Dept. in mid May. In June or July it is anticipated that a full community meeting to introduce the MM SUD and the MM Plan will be scheduled. Boundary changes can happen before then. PAC member Marty Cerles asked if there are minutes from the meetings with Planning. Zayas-Chien said that a Planning staff person will be coming to our PAC meetings. Marty responded that he would like to know in particular when there is resistance to our thoughts on the SUD and the MM Plan.
Zayas-Chien then noted that if the MM Plan can be adopted by December 2, 2004 Mid-Market can receive tax increment funding just as if the Plan was adopted by June 30th. She noted that this was a"technicality".

Next, PAC member David Wilbur noted that on May 13th the Planning Commission will vote on the Housing Element. He urged PAC members to send a letter of support of the Housing Element.

Public Comment: There was a question regarding parcels in the Octavia Blvd. Project and Zayas-Chien noted she did not have the information but could try to find out. There was a written comment submitted by Kaye Griffin noting that her comment at the last PAC meeting was, " the inclusion of the 10th & Mission parcel is required by 'good design practices' is disingenuous." The minutes did not reflect her comment accurately.

The meeting then adjourned.

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Agenda

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Mid-Market
Project Area Committee Meeting
Wednesday,
May 12 , 2004
Ramada Plaza Hotel
1231 Market Street
5:30 -7:30 pm

I.	**Welcome and Introductions**	**(5 Min.)**
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)**	**(5 Min.)**
IV.	**83 McAllister Street (Scientology Building)** **Presentation of new housing development**	**(25 Min.)**
V.	**Mid-Market Economic Development Strategy**	**(25 Min.)**
VI.	**Agency Staff Report**	**(45 Min.)**
	Progress Report on Mid-Market boundaries **Progress Report on Mid-Market Plan** **Progress Report on Mid-Market Special Use District** **Project Schedule**	
VII.	**PAC Staff Report**	**(5 Min.)**
VIII.	**Public Comment**	**(5 Min.)**

PLEASE BE ON TIME!

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*Residential Owner Occupant 3 seats
* Residential Tenant 3 seats

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Minutes
Regular Mid-Market PAC
May 12, 2004

Members Present: Craig Adelman, Patrick Banks, Katherine Bernitt, Duane Carlson, Marty Cerles, MaryEllen Churchill, Linda Corso, Carolyn Diamond, John Elberling, Anthony Faber, Ralph Lee, Richard Livingston, Justin Logan, Samuel Noily, Eric Tao, George Williams, Byron Yee

Members Absent: Mark Casagranda, David Hart, Tom Hart, Malik Looper, Daniel O'Leary, Lesley Pierce, Patrick Simms, Badru Valani, David Wilbur, Wayne Wong

Staff: Lisa Zayas-Chien

Welcome and Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: PAC member Anthony Faber commented that in the April minutes his announcement was asking for letters of support for Central City Extra, not funding support. This will be amended in the minutes. Chair Yee reminded PAC members to be on time so the regular meetings can begin promptly.

Approval of PAC minutes: The minutes of the April 14, 2004 meeting were amended to reflect that Anthony Faber's announcement for support for Central City Extra referred to letters of support. The minutes were approved with this change.

83 McAllister Street: This presentation was postponed for a later date.

Mid-Market Economic Development Strategy: PAC member Marty Cerles introduced the speaker, Mr. Roger Gordon of Urban Solutions. As background, PAC member Cerles is a member of the Board of Directors of Urban Solutions and he is also a member of the South of Market PAC, which has used the services of Urban Solutions.

Before Mr. Gordon spoke Lisa Zayas-Chien told the group that the Agency is looking at aspects of economic development and what would fit for Mid-Market. She plans to bring in other groups and asked members and guests to suggest initiatives, ideas and strategies for Mid-Market economic development.

Mr. Gordon then introduced himself and gave a brief background of Urban Solutions and the work they have done in San Francisco. Urban Solutions is a

12-year old non-profit group funded by the Mayor's Office and the SF Redevelopment Agency. Their goals are:

Community Planning
Economic Development
Helping Small Businesses

Urban Solutions did the 6th Street Plan using improvement tools such as:
business loans, tenant improvement programs, and façade improvements.
There are currently 20 projects underway on 6th street.

He broadly identified three projects for Mid-Market:

- Give small businesses technical experience - this would include leasing assistance and tools to get a small business up and running.
- Develop an Economic Development Plan – this could include façade and tenant improvements.
- Research & Plan a theater/arts/cultural district – this research could include seeing if a district like this "has any legs". Also develop strategies to bring those not so well funded, but unique, art/cultural groups to the area.

These projects are similar to the direction of a Main Street Program.

Questions and answers followed.

Q. First time loans for small business, how does this work?
A. We take clients to SBA, various funders and the SF Redevelopment Agency. We are also working on "rate enhancements".

Q. Are you working on only existing businesses or bringing in new businesses?
A. Both, we work to enhance and bring in new businesses.

Q. Any restrictions on type of businesses?
A. We have 2 concerns. First: The businesses and people that come to the area must be comfortable with the type of business. Second: They must meet the MM Goals and Objectives.

Q. Did you base this on MM Goals & Objectives?
A. We looked at the 2004-05 budgets in developing this proposal.

Comment: The proposal must start by what is on record. The proposal should be based on helping us get there. Don't re-invent the wheel; use the programs that have been successful on 6th Street. The Arts/Entertainment district is a big idea that actually the Agency has a lot of experience with since having done YBG, Center for the Arts, Mexican Museum etc. Somebody has to go through all the red tape.

Zayas-Chien comments that the theater & arts district will require a lot of input and expertise. Also, the SOMPAC will be evaluating Urban Solutions work in their area. Mid-Market should be aware of this evaluation.

Q. Would you be the "go to" guy if I were a small business owner?
A. Yes, but I would be working with other organizations such as the Market Street Association.

Q. Is an RFP required? If so the purpose being sought should come from the PAC.
A. Yes, an RFP will be required.

Cerles commented that the PAC develop projects that they want to see. Diamond responded that the PAC has already done that and the projects just need to be reviewed. George Williams asked why are we doing this, what projects and how much money do we have?

Zayas-Chien noted that this presentation was just for information only. The Agency will be bringing more information on economic development and putting costs to different types of programs and financing costs.

Williams asked if tax increment is used for economic development consultants. Zayas-Chien responded that some money is in the budget now for detailed planning, approximately $300 to $400 thousand. The PAC will have opportunities to discuss where this money is going.

John Elberling noted that in fiscal 05-06 we should hit the ground running and use programs that are proven and already approved by the Agency in other project areas, such as façade improvements and economic development. Lynn Valente commented that the entertainment idea is vague and it needs a plan to knit together that is realistic and uses resources we have in San Francisco.

Staff Report: Zayas-Chien began her report by briefly discussing a new artists working group called Red Ink Studios. This group matches studio artists with property owners who have vacant space in their buildings. The property owners form agreements with the studio artists to use vacant space in a building until a full time tenant is signed. The Red Ink Studio group helps facilitate these agreements. The ground floor of 1035 Market Street, a Mid-Market property, will be the first in Mid-Market to take advantage of this unique program. Red Ink Studio has also been working with PAC member Patrick Banks and his organization's properties on Mint Alley.

Mid-Market Boundaries: Zayas-Chien began with a brief statement regarding yearly budget deadlines and staff's initial reaction to expansion of boundaries and the worrisome probability of missing the July 20th budget deadline which would set the Mid-Market project year. With other factors coming into play the chances of meeting the July 20th deadline became more unlikely. Since then, "the panic of missing the deadline" has been allayed and the staff has been working on the issue of changing boundaries in Mid-Market. She distributed photos of both sites that are asking for inclusion into the MM boundaries. Area 2, 1415 Mission Street, has been approved by both staff and the MM PAC for inclusion. Area 1, City Center Associates, Tenth and Mission Property, has been approved by the MM PAC for inclusion but is being looked at by the Agency. The discussion focused on Area 1. She reminded the group that Redevelopment is about alleviating blight. The City Center properties are not in blighted condition, they are not un-reinforced masonry buildings. At the end of the day the Agency must make a legal case for inclusion. Therefore, the staff recommendation is to add one of the lots into the MM boundaries. (As background, the site consists of four lots, two of the lots are in the boundaries, the issue is to include the two other lots).
PAC member Noily commented that the best legal case for including both lots is for assembling the properties so a larger development project would be possible.

Questions and answers followed:

Faber: Why just one lot?
A. It is the lot that is adjacent to the lot that is already in the boundaries. A structural and functional building now sits on both of these lots and it has one foundation.

McCarthy: At one time we were told that a case for Redevelopment was not taken on a lot by lot basis and the Agency needed a strong, good reason to change the boundary. Now are you taking it lot by lot?
A. We are taking this one lot by lot due to its unique situation; we are not looking at the other lot because it is now at the 11th hour.

Elberling: Combining small lots which is in Redevelopment law would be justification.
A. There are concerns from Planning, it is on the edge of different zoning district, it is adjacent to a district that wants lower heights, more SLR and less housing.

Williams: The underlying zoning is SLR

Diamond: Will the other lot be under the SUD?
A. No, the other lot is not in either boundary.

Livingston: Does the Agency want our guidance? We already said yes, are they now saying no?

Elberbling: The real question is will this work in the real world.

Noily: I don't know

Elberling: There is a plausible development if it is this way. There is somewhat less density on the south lot, a smaller development. That is what you are going to get.

Adelman: His lots are developable. We shouldn't go to the mat with the Planning Dept. on this issue, since I suspect Planning is behind it.

Elberling: Put it up for a vote at the next meeting.

Noily: I am willing to compromise on this. I will agree to one lot.

Livingston: OK let's leave it. The Agency is not listening; we already told them what we want.

Elberling: They did compromise.

Eric Tao: What is the next step? Planning needs to sign off? Will they object in the end? If the property owner does not object we do not object.

This was the end of the discussion. The result was to start the necessary steps to include one more of City Center's lots into the boundaries.

Progress Report on MM plan and MM Special Use District: Zayas-Chien reported that the Agency's legal counsel is continuing to review each of these.

Eric Tao then requested that a timeline be developed so we can see where we are and where we are going from here. Zayas-Chien and PAC staff agreed to put together this timeline.

PAC Staff Report: Lynn Valente reported that 972 Market Street, a jewelry store will be converted to a Mexican restaurant. She also reported that June 12th is the annual 6th Street Fair. Diamond reported that the development of Venue, a nightclub/restaurant development at 973 Market did not close escrow in December but the potential owner/developer was continuing efforts to make the deal.

Public Comment: Kathleen Diohep of Arthouse California distributed flyers with information for small office for lease to Artists/Arts Organizations at 1360 Mission Street. All non-profit or public sector tenants are invited to lease offices in the building at rents starting at $350 per month per room with utilities included. Arthouse which has its offices in this building will provide a listing service for those who want to market to artists. For more information the contact is Josie Baltan at 415-552-2183 or josie@arthouseca.org.

Guest CJ Higley introduced himself. He is a new member of Reuben & Junius LLP, the firm that represents the owners of 1415 Mission Street. He thanked the PAC for the hard work regarding that property.

Guest Chaplain Earl Rogers asked how he could get up to speed on this project. Zayas-Chien referred him to PAC staff.

The meeting was then adjourned.

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Agenda

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Mid-Market Project Area Committee Meeting

Wednesday,
June 9 , 2004
Ramada Plaza Hotel
1231 Market Street
5:30 -7:30 pm

I.	Welcome and Introductions	(5 Min.)
II.	PAC Announcements	(5 Min.)
III.	Approval of PAC minutes. (Action Item)	(5 Min.)
IV.	The Luggage Store Gallery – Daryl Smith 1007 Market St. (Action Item) Presentation of plans for this building and a recommendation for funding.	(45 Min.)
VI.	Agency Staff Report PAC staff FY '04-'05 contract renewal and budget Progress Report on Mid-Market Redevelopment Plan Progress Report on Mid-Market Special Use District Project Schedule	(45 Min.)
VII.	PAC Staff Report	(5 Min.)
VIII.	Public Comment	(10 Min.)

PLEASE BE ON TIME!

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* Residential Tenant 3 seats

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David Wilbur
George Williams
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Minutes
Regular MM PAC
June 9, 2004

Members Present: Craig Adelman, Katherine Bernitt, Marty Cerles, Carolyn Diamond, Anthony Faber, David Hart, Tom Hart, Ralph Lee, Richard Livingston, Samuel Noily, Lesley Pierce, Patrick Simms, Eric Tao, Byron Yee

Members Absent: Patrick Banks, Duane Carlson, Mark Casagranda, MaryEllen Churchill, Linda Corso, John Elberling, Justin Logan, Malik Looper, Daniel O'Leary, Badru Valani, David Wilbur, George Williams, Wayne Wong

Staff: Lisa Zayas –Chien

Welcome & Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: Anthony Faber distributed informational flyers on the Tenderloin Tree Campaign 2004. Patrick Simms announced that the Guitar Center at Mission and 9th Streets was moving to Van Ness & California Streets. PAC staff Lynn Valente announced the 6th Street Fair will be on Saturday June 12th at 11:30 on 6th Street between Mission and Howard.

Approval of PAC minutes: This item was heard later in the meeting once a quorum was established. The minutes of the May meeting were approved.

The Luggage Store Gallery – 1007 Market Street: Mr. Daryl Smith of the Luggage Store Gallery gave a brief history of this unique local non-profit organization. The Gallery started in the Tenderloin 17 years ago and in 1989 the 1007 Market Street building was purchased for a permanent home for the Luggage Store Gallery and its affiliate the 509 Cultural Center.

Renovations are needed for the building and access and fire code issues need to be addressed.

Two years ago the Luggage Store received a grant from the Mayor's Office of Community Development (MODC) of $60,000 for capital improvements of constructing a fire wall, a second staircase and bathroom access. However, permits could not be obtained for this work until the access and fire code issues were addressed. Currently there are efforts to raise the funds to address the access and

fire code issues but in the meantime the MODC funds that were granted two years ago for capital improvements is in jeopardy of being lost. Mr. Smith asked the PAC to help save the $60,000 that had been committed two years ago by writing a letter of support for the Luggage Store to the MOCD. He also asked the PAC for other possible sources of funding that the Luggage Store could pursue.

He then presented a brief slide presentation of the exhibits, visual arts programs and open mike nights that the Luggage Store hosts.

There was a question and answer period following the slide show.
Q. Do you have wheelchair access?
A. No, that is one of the reasons I am here.

Q. Do you have support from the neighborhood?
A. Yes, the new Opi's Café across the street is working with us. They will try to extend their hours of operation into the evening so we can create a synergy.

Q. Explain one more time what you need from this body.
A. We need a letter of support from you to the MODC saying that we are a positive element in the neighborhood. This letter will help us keep the $60,000 that was awarded to us two years ago but we have not been able to use because of our other outstanding issues with access and fire code work. We will be applying for that same money in the fall of this year.

Lisa Zayas-Chien notes that some funding may be available through Heritage or through the State Historic Building Code.

Q. Is your building an un-reinforced masonry building?
A. No

PAC member Craig Adelman attested to the good work of the Luggage Store and said there is no other group more worthy of supporting. PAC member Richard Livingston stated that the Luggage Store is committed to enhancement of arts and should be one of our highest commitments. Audience member Kaye Griffin also voiced her support of this organization.

Agency Staff Report:

a. PAC staff FY '04-'05 contract renewal and budget: Lisa Zayas-Chien reported on some comments made at the last Projects Committee on this issue. The comments included a need for more comprehensive minutes for the meetings and more outreach. This would necessitate more funding in the budget so a more thorough outreach campaign could begin and minutes of the Projects meeting and the PAC meeting could be more comprehensive. Zayas-Chien noted that the current '04-'05 contract (which she distributed) was the same amount as the current contract and had a two year extension clause. She then asked for PAC comments.

Chair Yee – Suggested adopting a different form of minutes and record the minutes issue by issue. Eric Tao stated that he had a template for minutes and he would be happy to share this format. He also stated that more information was needed on the website and that the information that is on the site needs to be updated on a regular basis. The question was asked how this budget compared to last year's budget. Zayas-Chien responded that it was the same amount but what she was hearing was that for next year more funding was needed for help with minutes and outreach. Of all the PAC staff contracts, Mid-Market has the least amount of funds. This is because the MM PAC staff (Market Street Association) is already in place and has an intimate relationship the Mid-Market area. Mid-Market currently has only one sub-committee as compared to other PAC's which have several committees. However, in the future there may be more sub-committees and more funds for extra staff will be needed to attend and record these new committee meetings. Richard Livingston commented that, "longer minutes do not necessarily mean better minutes." There was a suggestion to poll PAC members and guests to see if they would prefer the agendas and minutes to be e-mailed as opposed to regular mail. This would cut mailing costs, paper costs, copying costs and postage.

b. Progress Report on Mid-Market Redevelopment Plan: Zayas-Chien reminded the group that comments on the new Draft MM Redevelopment Plan are due on June 23rd. Comments may be sent to PAC staff at msadv@pacbell.net.

c. Progress Report on MM SUD: Zayas-Chien reported that she is working with City Planners and hopes to get their comments on the SUD in advance of their attending the Projects Meeting which is tentatively scheduled for June 28th.

d. Project Schedule: Zayas-Chien distributed a Projects Committee Meeting tentative schedule for the next five weeks. The schedule also included important future target dates. These included
June 23 – comments due on Draft MM Redevelopment Plan.
August 20 – Assessor's office equalizes the assessment rolls. This information informs tax-increment projections and financial feasibility analyses.
December 1 – Current target date for completing entirety of Plan adoption process.

PAC Staff Report: Lynn Valente reported that the City is doing a "scrub down" of sidewalks in the Tenderloin and these efforts have spread into the MM area. Also, the Mobile Assistance Program (MAP) van teams are going into the Tenderloin and on the north side of Market Street on 7th & 8th streets to provide assistance to those on the street.

There was a report that Hastings is proposing a 350 seat theater which will be in line with our goals. Z studios is involved in this proposal.
Merrills Drugs on Market Street at 7th is closing.
Club 6 on Sixth Street is planning to expand.

Red Ink studios is working on opening their studio in 1035 Market St.
There is a new mural at 15th and Church Streets, the "Market Street Railway Mural" depicting transportation on Market Street.

Craig Adelman asked that staff get a legal definition of a quorum. There have been action items in the past that were not voted on because a quorum was no longer present. Also, at the meeting on this date the approval of the minutes was delayed because a quorum was not present. Adelman suggested that once a quorum is reached, it is so noted, and all action items may be considered through out the meeting regardless if a voting member is absent.

The meeting then adjourned.

(Note: PAC minutes will now include this form or a version of this form, to assist the PAC in noting and tracking issues that require further action. This is an effort to make the PAC minutes more comprehensive. Thanks to Eric Tao for the format.)

Date of Meeting: June 9,2004

Item:	***Status***	***Action:***	***Party***	***Description of action to be taken.***
Luggage Store	pending		PAC staff	Draft a letter of support for the Luggage store addressed To MOCD and present the letter to the PAC for approval.
Definition of a quorum	pending		SFRA legal/ staff	Obtain clarification of quorum and voting procedures
Poll PAC members and guests	pending		PAC staff	Poll PAC members and guests to see if they prefer to Receive PAC information via mail or e-mail.

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Daniel O'Leary
Lesley Pierce
Patrick Simms
Eric Tao
Badru Valani
David Wilbur
George Williams
Wayne Wong

Mid-Market
Project Area Committee Meeting
Wednesday,
July 14, 2004
SF Redevelopment Agency

PLEASE NOTE LOCATION OF THIS MEETING

770 Golden Gate Ave. 3rd Floor
5:30 -7:30 pm

Agenda

I.	Welcome and Introductions	
II.	PAC Announcements	(5 Min.)
III.	Approval of PAC minutes. (Action Item) Election of PAC member (Action Item) Approval of letter of support for the Luggage Store	(10 Min.)
IV.	34 Mason Street – Terrance Allan will present plans for this proposed restaurant/art gallery/ school	(20 Min.)
V.	Mid-Market Special Use District (SUD) Discussion with City Planning Staff (Action Item)	(40 Min.)
VI.	Mid-Market Redevelopment Plan (Working Draft) Review & discussion of comments before Forwarding to Redevelopment Agency (Action Item)	(30 Min.)
VII.	Agency Staff Report	(5 Min.)
VIII.	PAC Staff Report	(5 Min.)
IX.	Public Comment	(5 Min.)

PLEASE BE ON TIME!

Reminder:There are openings on the Mid-Market PAC in the following categories:

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Lesley Pierce
Patrick Simms
Eric Tao
Badru Valani
David Wilbur
George Williams
Wayne Wong

Minutes
Regular Mid-Market PAC Meeting
July 14, 2004

Members Present: Craig Adelman, Patrick Banks, Katherine Bernitt, Marty Cerles, MaryEllen Churchill, Linda Corso, Carolyn Diamond, John Elberling, Anthony Faber, David Hart, Tom Hart, Ralph Lee, Samuel Noily, Daniel O'Leary, Lesley Pierce, Patrick Simms, Eric Tao, Badru Valani, David Wilbur, George Williams, Wayne Wong, Byron Yee

Members Absent: Mark Casagranda, Ralph Lee, Richard Livingston, Justin Logan

Staff: Lisa Zayas-Chien

Welcome & Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: Chair Yee announced that Malik Looper of Goodwill Industries had formally resigned the Goodwill seat. Yee noted that there is now an opening for a Community Based Organization – specifically a Social Service Organization on the MM PAC.
Anthony Faber announced a tree planting day on Saturday, July 31, 2004 at Boeddeker Park.

Approval of Minutes: Lisa Zayas –Chien amended a comment she made after the presentation of the Luggage Store Gallery. The comment read, Lisa Zayas-Chien notes that some funding may be available through Heritage or through the State Historic Building Code. The comment should read, Lisa Zayas-Chien notes that some support may be available through Heritage or through utilizing the State Historic Building Code. With this amendment the minutes were approved.

Election of PAC member: Chair Yee announced that Dan O'Leary of Seligman Western Enterprises, had requested his colleague at Seligman, Mr. Will Arnett, replace him. Mr. Arnett is the property manager at 1095 Market Street. This is a Commercial Property Owner seat. Yee introduced Mr. Arnett who then gave a brief statement and Yee called for a vote. Mr. Arnett was voted onto the PAC unanimously.
Approval of letter of support for the Luggage Store: Mr. Daryl Smith of the Luggage Store had asked the PAC for a letter of support at the June 9, 2004 PAC

meeting. The PAC members were now presented with a draft of that letter and were asked to approve it. The PAC approved the letter unanimously and PAC staff will send it to the Mayor's Office of Community Development.

34 Mason Street: Mr. Terrance Alan gave a presentation of his 34 Mason Street project, the Music Incubator & the Blue Cube. This project is a unique combination of education and entertainment. The third floor of the building will house a school program. Thirty-two students are anticipated and it is a 3-year program. The focus will be how to run a successful entertainment operation, this includes booking talents, providing security, obtaining proper permits etc.

The second floor is an entertainment laboratory where creative and innovative ideas are put to the test.

The first floor is the "economic engine" where there will be a performing restaurant with chefs putting on a show with food as the subject matter. Also on the first floor there will be a rotating gallery which blends technology with foods, entertainment and arts. The Apple and Sony corporations will debut some of their products there.

He plans to open in mid-August and both the liquor license and permits are in the final stages.

The floor was then opened to questions.

Q. We are concerned because at your 220 Jones location dancers are being treated illegally and there is a violation of CA labor laws. Why should we trust someone who is operating illegally to mentor others? What about dancers at this club?
A. We don't have dancers at this club; it is a school and a restaurant.

Q. What permits do you need?
A. We need about 16 different permits including public assembly, entertainment, ABC to dispense alcohol and City Planning has a say. Specifically permits for the 3rd floor are for Office 2nd floor are for Entertainment & 1st floor are retail/restaurant/commercial

Q. What are the hours of operation?
A. Hours will vary per event. For example in October the audio engineering society rented our space for two weeks. That week we will be operating and open for breakfast, lunch and dinner.

Q. Is it an all age place?
A. Not sure if we can have a student under 21 involved in the bar/restaurant. We are waiting for a decision from ABC. We would like to see 18 to 19 year olds also.

Q. Is there an upper age limit?
A. Absolutely not.

Q. Do you have an extended hours permit?

A. Yes, we have an after hours permit which is after 2 am. We will use this as the demand fills in.

That concluded his presentation.

Mid-Market Special Use District (SUD): Lisa Zayas-Chien began by telling the group that the Projects Committee, a sub-committee of the full MM PAC, has been working with City Planning staff on the MM SUD. They are starting with the toughest issues which include the parking issue. The Planning staff has committed to work with the PAC and Redevelopment on a weekly basis. She introduced Marshall Foster, of the Planning Dept. Foster noted that the Planning Dept. is pleased to be at this stage with a Memorandum of Understanding (MOU) and they are committed to work out the issues of the SUD. He noted that Planning's goal is for open discussion and productive work so the SUD can be adopted this calendar year. The documents thus far are consistent with the City's General Plan and with some modifications will be ready to submit to the Commission by the late fall.

Questions and answers followed:

Q. When was the MOU signed and was it blessed by both Commissions?
A. I am not sure when it was signed and if it was blessed by both.
Comment. Then I want a copy of the MOU by the next Monday's Projects meeting.

Q. What is the provision of live/work as accessory use? Is there an increase?
A. We think we can work through the live/work percentages. We will work with the Chief Building Inspector and specific members of the PAC on this issue.

Q. Will you modify the SRO ordinance for live/work?
A. This will be discussed at a Monday Projects Meeting.

Q. Must the Redevelopment Plan be consistent with the General Master Plan?
A. Yes, but the General Master Plan does not included zoning. Also, you can amend the Master Plan.

Q. Regarding the FAR exemption for housing. No project to date has been able to take FAR bonuses under the current City incentives. FAR bonuses have not worked in the City for housing, zero housing has been built with this bonus. Why would we embrace your suggestion of FAR bonuses?
A. The City's current FAR bonus have not been effective. We are working through that policy and are attempting to add new incentives and bonuses.

Comment: We need to get concrete details about incentives. We need to see the scope of work from the economic consultants to see how to construct a truly beneficial FAR bonus program.

Comment: Removing the FAR limitations has been one of the prime forces in the MM SUD. Since the beginning developers have counted on Mid-Market to provide this incentive. The 949 Market St. project for example would be "killed" if incentives were removed, the same thing would happen to the 1415 Mission project.

Q. If I do 150% of median income for a FAR bonus how does this play with my 12% BMR requirement? Do FAR bonuses increase the affordable requirement?
A. I don't thing it increases your affordable requirement.

Q. Did the PAC get promised FAR exemptions for agreeing not to exceed height limits? Was the deal not to ask for height if there was a FAR exemption?
A. (from PAC member) The height increases were too controversial. That was taken off the table.

Q: It seems that we and Planning are on two different pages. You can eliminate bonuses for market rate housing but we need this type of housing. The only projects being built are 100% affordable. We looked to see what we could do here in the MM district, take what exists and fill it up anyway we can, we are looking at the envelope. Controls would still be there with Planning. What can we do to make it different from the rest of the City? I hear opposite from Planning and Redevelopment it seems that you are coming from two different areas.

A. We need to do more discussion on incentive for your goals. We will look at the City's General Plan. We have very "open ears" and we will have give and take.

Comment: There seems to be a disproportionate number of PAC members who want market rate housing. I feel some tension here and Planning needs to bring more diversity.

Comment: Mixed housing includes all housing. Average cost to build is about $375. a sq. ft. FAR incentives will make mixed housing possible.

The discussion ended at this point so the agenda could be moved forward.

<u>Mid-Market Redevelopment Plan –Working Draft</u> Zayas-Chien told the group that the comments on the MM Redevelopment Plan need to be formally forwarded to staff and then to the Agency.

Q. What about the design guidelines.
A. We are working with Planning on design guidelines. This can be done post approval.

Q. Design guidelines will involve community planning?
A. Yes, of course. We will not take the lead for example in Transportation. We would go to the Transportation Authority with this and look at documents such as the Market Street Study.

Q. Why are we formally forwarding the comments? Why aren't we doing underline/strike out?
A. We will just do this as procedure. A way to show that the PAC is ready to submit comments and the Agency can respond.

We need closure on this so let's move this forward. This motion was made: "Move to submit comments on the MM Redevelopment Plan to Agency staff in time for staff to make comments in writing by August 2nd. The motion passed unanimously.

Agency Report: Zayas-Chien told the group that there would be a staff report to the Redevelopment Commission on August 17th at 4:00 pm in City Hall.

PAC Staff Report: Carolyn Diamond noted the new form at the end of the minutes which she hoped would help track issues that were not resolved.

Public Comment: A guest asked how to get on the PAC agenda. Zayas-Chien referred her to the PAC staff.
George Williams suggested that we make a presentation to the Planning Commission.
Hope Swift asked if anyone knew the number of parcels in the Octavia Blvd. project that belonged to Redevelopment. Lynn Valente answered that she knew that seven parcels in the project had been sold to Redevelopment.
Alicia Duke announced that a new Director had been hired for Planning for Seniors.
Kathleen Diohep, Arthouse California, noted that there are issues for her constituents that they would like to comment on later.

The meeting then adjourned.

Meeting: June 14, 2004

Status	***Action:***	***Party***	***Description of action to be taken.***
June 9th meeting Luggage Store	Resolved	PAC staff	Letter of support for the Luggage Store addressed To MOCD was presented to the PAC for approval. PAC approved letter and letter sent to MOCD.
June 9th meeting Definition of a quorum	Resolved	SFRA legal/ staff	Obtained clarification of quorum and voting procedures from SFRA Legal counsel. Advised: A PAC vote may not be taken unless a Quorum is present, even if a quorum was present at one Point during the meeting.
June 9th meeting	Resolved	PAC staff	Poll PAC members and guests to see if they prefer to receive PAC information via mail or e-mail. Poll was sent and results will Be given at the Aug. PAC meeting

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)avid Wilbur
eorge Williams
Vayne Wong

Agenda

Mid-Market
Project Area Committee Meeting
Wednesday,
August 11, 2004
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

I.	**Welcome and Introductions**	
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)** **Election of PAC member (Action Item)**	**(10 Min.)**
IV.	**Hastings Institutional Master Plan** **Presentation of Hasting's long term plans as well** **As descriptions of the existing program**	**(20 Min.)**
V.	**Mid-Market Special Use District (SUD)** **Update (Action Item)**	**(30 Min.)**
VI.	**Mid-Market Redevelopment Plan (Working Draft)** **Update (Action Item)**	**(30 Min.)**
VII.	**Agency Staff Report**	**(15 Min.)**
VIII.	**PAC Staff Report**	**(5 Min.)**
IX.	**Public Comment**	**(5 Min.)**

PLEASE BE ON TIME!

Reminder:There are openings on the Mid-Market PAC in the following categories:

- *Residential Owner Occupant 3 seats
- * Residential Tenant 3 seats
- * Community Based Organization –Social Service Organization 1 seat
- * Commercial Property Owner 1 seat

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Samuel Noily
Lesley Pierce
Patrick Simms
Eric Tao
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David Wilbur
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Wayne Wong

Minutes
Regular Mid-Market PAC Meeting
August 11, 2004

Members Present: Craig Adelman, Will Arnett, Patrick Banks, Mary Ellen Churchill, Linda Corso, Carolyn Diamond, Anthony Faber, David Hart, Tom Hart, Ralph Lee, Richard Livingston, Samuel Noily, Patrick Simms, Eric Tao, Badru Valani, David Wilbur, Wayne Wong, Byron Yee

Members Absent: Katherine Bernitt, Mark Casagranda, Marty Cerles, John Elberling, Justin Logan, Lesley Pierce, George Williams

Agency Staff: Jose Campos, Lisa Zayas-Chien

Welcome and Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: Anthony Faber encouraged more members to attend the Projects Meetings. He suggested that a different day and time may allow for more participation.

Approval of PAC minutes: The minutes of the July meeting were approved. PAC guest Hope Swift requested a definition of FAR which was cited in the July minutes. Jose Campos defined Floor Area Ratio (FAR) as a limitation of size and massing of a new building. There is a FAR ratio in planning areas. The FAR ratio can be increased and an increase in this ratio is considered to be an incentive to development. A developer could build more of a building on a property lot.

Election of PAC member: Chair Yee introduced Ms Alicia Duke, a candidate for a Community Based Organization (CBO) representing a Social Service Organization. This seat was previously occupied by Malik Looper of Goodwill Industries, Inc. Goodwill gave up the seat completely.

Ms Duke, a regular at the MM PAC meetings, represents Planning for Elders. Duke described some workshops sponsored by this organization. These include Senior Survival Seminars, Open Doors to Homecare, and

Health Care Action Team. The group is also involved with Muni in transit programs for seniors and disabled. Ms Duke was elected to this CBO seat unanimously.

Hastings Institutional Master Plan: David Seward began the presentation of the Hastings Plan and explained that this was a brief update of the Hasting Master Plan proposal. This proposal includes a new location for an existing neighborhood athletic and community facility, ground floor retail, parking, student residences and a performing arts space. Seward and his team described the objectives for each of its major projects:

100 McAllister Street -Maintain and upgrade this residential facility by replacing and upgrading fire/safety systems and systematically making seismic improvements.

Evaluate the possibility of utilizing the Great Hall as a community serving performing arts venue. Discussions are ongoing between Hastings and the Z-Space Studio. The Great Hall space was originally developed as a church and was the home of the George Coates Theater.
The new plans for this Gothic space include a 350-450 seat theater, 3 rehearsal halls, administrative work stations and studio spaces that include a workshop space for the development of small ensembles which could incubate and then go out to other theaters.

Seward notes that this revitalized space will bring mutual benefits to the performing arts community, the college and to the neighborhood, making the campus more dynamic day and night.

200 McAllister Street – Funding has been appropriated for code compliance upgrades. These upgrades will begin in June 2005.
The college is seeking funds from private donors to upgrade and improve its law library located in this building on floors 4 through 6.

Joint Mixed Use / YMCA Project - Hastings and the YMCA are currently exploring a joint project. The conceptual idea is that the YMCA would sell 220 Golden Gate Ave, where it is currently located, and the proceeds of this sale would be re-invested into a joint project with Hastings. This new project, located at 367-399 Golden Gate Ave at Larkin Street, would include:

- a state-of-the-art athletic/fitness center with pool, gymnasium, outdoor plaza, community and social space of approximately 50,000 square feet.
- Student housing for approximately 20 to 40 students
- Ground floor retail for a coffee shop, restaurant, etc
- Parking of approximately 450 stalls with a City CarShare pod and 20 to 30 secure bicycle lockers.

Comments followed and then the next item was called.

Mid-Market Special Use District: Lisa Zayas-Chien began this presentation and described how the goals and objectives carry over to the Special Use District. She introduced Marshall Foster of the City's Planning Dept. Foster gave a quick update and expressed his Dept.'s strong support of the PAC. He noted they were working on a few changes to the PAC's proposed SUD and said they want to add to the mix. He moved on to schedules and timing. City Planning was assigned to the MM planning in June and they are now starting to schedule presentations, hearings etc. with the goal of finishing this fall.

Foster distributed a handout to the group titled **Update on the Mid-Market SUD** dated August 11, 2004. He began going over the key goals for the SUD and then discussed additional Planning Department goals for the SUD. He noted that the SUD has to be effective and practical for sustainable development.

Some of his points in discussing the Dept.'s additional goals included:

Housing needs to take advantage of transit. Ed Evans asked about the quality of life issues and commented that we have to get tough on these issues to get this area cleaned up.
In covering Historic Preservation the question was asked if there are expected outcomes concerning Transferable Development Rights (TDR's). Marshall responded that they would try to keep it viable to encourage preservation of historic buildings.

Transportation and Parking goals should ensure that people can travel safely and comfortably to the district. Commuter parking is discouraged. Parking policies should encourage travel by public transit and not encourage people to drive to the district.

PAC member Sam Noily commented that he is concerned about the finality of the process. The Projects Committee has approved certain aspects of the SUD and the Planning Dept. is changing them. "We need to know that the documents are final, if we don't have this assurance then why bother? There should be no moving targets." Noily asked Jose Campos of the Agency to confirm that the documents will not be changed once there is agreement on them between the committee and Planning. Campos stated that these documents would be the final documents. Foster agreed and noted that it is a lot of work but he thinks compromise and goals can result.

The discussion moved on to page 4 of the handout. These are unresolved issues noting the PAC's proposals and the Planning Dept. issues with these proposals.
Foster explained the compromises under discussion with these issues as noted on the handout.

Accessory Uses: Foster added that ideas under discussion are to try to clear obstacles with the Fire Dept. and the Dept. of Building Inspection. He thinks that they have resolved some of these issues.

FAR Incentives: Zayas-Chien stated that there have been questions if FAR bonuses really work. She noted that all concerned want to make sure that these FAR bonuses really do work. "We are flexible and want you to be comfortable with them at the end of the day."

Noily: This table deals with C3G – will the whole district will be zoned C3G? Foster: The SLR height district is about 65 feet, there is not a lot you can do with this height anyway.
Noily: Why not do it then? 10th Street would be stronger if it was all zoned the same.
PAC member Anthony Faber: SLR change may be opposed by SOMA. They have strong feelings about SLR zoning.
Zayas-Chien: Formal changes to SLR could create a movement to change SLR in other parts of town and this is not our intention. CM and C3S could be converted more easily.

Residential Parking: Foster explains that there are new technologies to increase efficiency of parking and has suggested 15% of residential Gross Square Footage as-of-right which could give residential a 1 to 1 ratio if using valet and mechanical lifts. No parking would be permitted above the ground floor.

PAC member Patrick Banks: We use mechanical lifts now in our project. However, if parking above the first floor is prohibited you may unintentionally eliminate the use of mechanical lifts.

PAC member Faber: Regarding underground parking I have been told that the soil in some areas can't handle underground parking. There may be situations where it can't be done.

Ed Evans: Can several housing units go together and crate a separate parking facility?
Foster: In principal it doesn't sound bad but I don't have a good answer for you now. I think the code allows this now as long as it is accessory.

Evans: Is there special parking for the disabled?
Foster: Yes, it is required.

Public Parking: The PAC proposal asks to remove a Conditional Use (CU) for new public parking. The Planning Dept. has issue with this because public parking has impacts and these impacts should be subject to a public review.
Planning suggests the establishment of a Transportation Demand Management (TDM) program to maximize efficient use of existing parking facilities.
The question here is who will pay for the TDM, will this be an expense that property developers will have to incur?

A program could be developed with property owners making agreements with the community. For example Costco has an agreement with the community to extend their parking lot hours so the community can park in their lot after hours.

This concluded this discussion.

Mid-Market Redevelopment Plan Update: Zayas-Chien told the group that she would have formal written responses to the PAC's comments plus an updated draft of the MM Plan on Monday at the Projects meeting.
She also reminded the group that there will be a MM workshop at the Redevelopment Commission hearing on Tuesday, August 17th at 4:00pm in City Hall Room 416. She encouraged all to attend.

Agency Staff Report: Zayas-Chien distributed a schedule of August/September 2004 Projects Committee and SUD Meetings. By next month she wants the PAC to feel that they are ready for public review of the documents. A special community meeting will be called for this public review.

PAC Staff Report: Lynn Valente told the group that she and Lisa Zayas-Chien attended a Tenderloin Futures Collaborative meeting that morning and Zayas-Chien presented an update of the MM Redevelopment Plan.

Public Comment:

Mike Nulty distributed copies of the Central City Extra newspaper and called on the group to help stop the removal of bus stops in the Tenderloin community.
Alicia Duke announced an Open House on August 19th at 4:00 pm at 1370 Mission Street to meet the new Executive Director of Planning for Elders.

The meeting then adjourned.

ting: August 11, 2004

atus	***Action:***	***Party***	***Description of action to be taken.***
June 9th meeting	Resolved	PAC staff	Poll PAC members and guests to see if they prefer to receive PAC information via mail or e-mail. Poll was sent and results will Be given at the Sept. PAC meeting

Update on the Mid-Market SUD

San Francisco Planning Dept, August 11, 2004

The Planning Department strongly supports the PAC's work and is committed to implementing an SUD for the Mid-Market area. Since we began working with the projects committee in June, our goal has been to refine the SUD so that it fully reflects the goals of the MM Redevelopment Plan, and is consistent with the city's *General Plan.* Overall, we find the SUD consistent with the *General Plan,* and with the planning underway for the larger downtown.

Planning and SFRA staff have identified issues with specific aspects of the proposed SUD. We are now working with the projects committee to resolve them, and would like to present a revised SUD in September for the PAC's consideration. The key issues remaining are how we provide incentives and how we regulate parking, both for residential uses and new public parking garages.

Schedule

Once these issues are resolved, we would like to present the SUD and the required amendments to the city's *General Plan* for adoption and approval at the same time as the Redevelopment Plan. SFRA has proposed a goal to have the Redevelopment Plan approved by the Board of Supervisors by the end of November 2004. With this in mind, we are scheduling the following hearings for the Planning Commission to consider the required General Plan amendments and the zoning changes called for in the SUD:

September 2nd, 2004:	Informational Presentation
Early October:	Initiate GP Amendments and Zoning Changes (SUD)
Early November:	Adopt GP Amendments and Zoning Changes (SUD)

Key Goals for the SUD (taken from the MM Revelopment Plan draft):

Housing

- Provide apartment, condominium, live/work, artist live/work, and other housing opportunities that address the need for housing of all types in Mid-Market
- Ensure the development of a variety of unit types at all rungs of the housing income ladder, especially affordable housing for low/moderate income households and supportive housing for the homeless.
- Encourage the development of a diverse range of affordable housing types that target different populations and their needs including family, senior, transitional, supportive, and mixed-use housing developments.
- Promote increased housing density, as appropriate, on vacant or underutilized parcels while minimizing displacement of existing occupants.
- Support the provision of market rate housing to ensure a diversity of income levels in the district.

The Arts

- Protect and expand community arts/cultural facilities and programs.
- Develop an incentives package to promote the development of theater, arts, cultural and entertainment uses in the Mid-Market district
- Encourage the establishment of a collaborative body or organization to promote the development of a Mid-Market Arts District and to coordinate arts-related activities and incentive programs

Economic Development

- Encourage the establishment of a collaborative body or coordinating structure to promote the Mid-Market business district and facilitate economic development activities.
- Target underutilized sites to capture development opportunities as a catalyst for area revitalization, including but not limited to hotels, theater/entertainment/cultural centers, and other unique specialty uses.

Historic Preservation

- Preserve and restore historically and architecturally significant buildings and districts in accordance with existing laws, processes, and bodies governing historic preservation. Significant buildings include those listed with the city, state and federal governments as having significant or landmark status and those buildings that are deemed to have a contributory/contextual benefit to a historic district.
- Utilize and promote available financial incentives to bolster historic preservation efforts, including historic preservation tax credits, tax abatement, transfer of development rights, authorization to use "historic" building codes, and other possible incentives.

Other

- Develop an incentives package promoting sustainable development that is both economically and environmentally sound.

Additional Planning Department Goals for the SUD

Housing

- Maximize opportunities for new housing at all income levels – taking advantage of the neighborhood's excellent transit service and access to jobs.
- Ensure that neighborhood shops and services are located close to where people live.

Historic Preservation

- Preserve historic buildings, assembly and performance spaces in the Market Street Theater and Loft District and the MM area generally.
- Preserve the viability of the Transfer of Development Rights (TDR) program and strengthen other incentives for preserving historic buildings.

Transportation and Parking

- Ensure that as many people as possible can travel safely and comfortably to and from the district as Arts/Cultural/Entertainment activities grow.
- Improve the safety and character of streets in the area.
- Maximize efficient use of existing parking facilities before building new ones.
- Strongly discourage public commuter parking.
- Establish parking policies that encourage travel by public transit and other forms of transportation, in keeping with the City Charter's "Transit-First" Policy.

	Existing Zoning	PAC Proposal (3/04)	Issues with PAC Proposal	Ideas Under Discussion (8/04)
Accessory Uses	Provision for accessory uses up to 25% of GFA (Sec. 204.3)	Increase live/work accessory provision above existing limit of 25% of GFA	- Contradicts definition of accessory use - L/W moratorium prohibits living/working spaces as a principal use - Could result in a planning code loophole for live/work	Increase accessory provision for residential uses from 25 to 33% of GFA for historic or UMB buildings in MMSUD Allow the Planning Dept. to waive 80% lot coverage max. for rehab/change of use in historic or UMB buildings
FAR incentives	6:1 FAR limit in the C-3-G (Sec 124(a)) TDR for historic properties Exemption for housing affordable to 150% of AMI in the C-3-G	Full FAR exemption for housing within the SUD; retain FAR limits for historic properties FAR bonus concept for spaces devoted to A/C/E	- Full FAR exemption for housing would impact viability of TDRs - A/C/E and other incentives are not possible if housing is fully exempted from FAR - An EIR on full FAR exemption is being prepared for all of downtown	Est. cumulative FAR bonuses in the C-3-G (from 6:1 to a max of 12:1): 1. TDR for historic properties 2. Exempt Sec. 315 BMR units from FAR calculations 3. Exempt housing affordable to 150% of AMI in the C-3-G from FAR calculations (Sec. 124(f))*. 4. Create a bonus for space devoted to Arts/Cultural/Entertainment uses 5. Create a bonus for reduced residential parking:
Residential Parking	Minimum parking requirement of .25:1 spaces per unit, up to .375:1 as-of-right; more by CU (Sec. 151) All spaces must be ind. accessible; minimum 160sf parking space size (Sec. 154)	No minimum. .375:1 as-of-right; CU up to a maximum of 1 space per unit. Parking unbundled from housing	- 1 space per unit of conventional parking reduces space for housing, community-serving uses, increases costs - New technology has been shown to increase efficiency of parking, reduces costs - No incentives given for transit-oriented households - Space for carsharing reduces need for private auto ownership	No minimum. Permitted up to 15% of residential GSF as-of-right (up to 1 space per unit through valet and lifts); no CU permitted above. No parking permitted above the ground floor and wrapping required. No ind. accessibility req.; no minimum parking space size. Parking unbundled from housing For projects > 100 units, carsharing orgs get right of first refusal to 2 spaces
Public Parking	New public parking requires Conditional Use (CU)	Remove CU for new public parking, est. new standards: - Not above identified need - Convenient walking distance - Minimize congestion - Short-term - Carshare required	- Public parking has special impacts on traffic/ neighborhood quality. These impacts should be subject to public review per the CU process.	Continue to require CU for new public parking, establish new standards: - Need cannot be met through better use of existing facilities - Convenient walking distance - Minimize congestion - Short-term - Integrated into mixed-use building - Carshare required - Periodic use survey required Establish a TDM program to maximize efficient use of existing parking facilities and expand availability of short-term parking as the district grows.

* Per recent discussions with the working committee, the level of affordability targeted may be revised.

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Agenda

Mid-Market Project Area Committee Meeting
Wednesday, September 8, 2004
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

MEMBERS

Chair
Byron Yee

Vice-Chair
Carolyn Diamond

Craig Adelman
Will Arnett
Patrick Banks
Katherine Bernitt
Mark Casagranda
Marty Cerles
MaryEllen Churchill
Linda Corso
Sam Alicia Duke
John Elberling
Anthony Faber
David Hart
Tom Hart
Ralph Lee
Richard Livingston
Justin Logan
Samuel Noily
Lesley Pierce
Patrick Simms
Eric Tao
Badru Valani
David Wilbur
George Williams
Wayne Wong

I.	**Welcome and Introductions**	**(5 Min.)**
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)** **Election of PAC member (Action Item)**	**(10 Min.)**
IV.	**Mid-Market Special Use District (SUD) (Action Item)**	**(40 Min.)**
V.	**Mid-Market Redevelopment Plan (Working Draft) (Action Item)**	**(35 Min.)**
VI.	**Agency Staff Report**	**(15 Min.)**
VII.	**PAC Staff Report**	**(5 Min.)**
VIII.	**Public Comment**	**(5 Min.)**

PLEASE BE ON TIME!

Reminder:There are openings on the Mid-Market PAC in the following categories:

*Residential Owner Occupant	3 seats
* Residential Tenant	3 seats
* Commercial Property Owner	1 seat

NOTE: A SPECIAL MID-MARKET PAC MEETING HAS BEEN SCHEDULED FOR **SEPTEMBER 15TH** AT THE RAMADA HOTEL @ 5:30 PM . THIS MEETING WILL BE OUR OPPORTUNITY TO PRESENT OUR CURRENT PLANS TO THE GREATER COMMUNITY. **PLEASE MARK YOUR CALENDARS.**

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Samuel Noily
Lesley Pierce
Patrick Simms
Eric Tao
Badru Valani
David Wilbur
George Williams
Wayne Wong

Minutes
Regular Mid-Market PAC Meeting
September 8, 2004

Members Present: Craig Adelman, Will Arnett, Patrick Banks, Katherine Bernitt, Marty Cerles, MaryEllen Churchill, Linda Corso, Carolyn Diamond, Sam Alicia Duke, John Elberling, Anthony Faber, David Hart, Ralph Lee, Samuel Noily, Lesley Pierce, Patrick Simms, Badru Valani, George Williams, Byron Yee

Members Absent: Mark Casagranda, Tom Hart, Richard Livingston, Eric Tao, David Wilbur, Wayne Wong

Agency Staff: Jose Campos

Welcome and Introductions: Chair Yee welcomed the group and asked for self-introductions.

PAC Announcements: Member Sam Alicia Duke distributed a flyer with a listing of events being presented by Planning for Elders.

Approval of PAC minutes: The minutes of the August PAC meeting were approved.

Election of new PAC member: Chair Yee announced that Commercial Tenant Justin Logan had resigned from the PAC due to other commitments.

Chair Yee then announced that there was a candidate to replace Duane Carlson for a seat in the Commercial Property Owner category. He introduced Mr. David Addington. Addington gave a brief presentation and told the group he was the new owner of 1028 Market Street, currently the home of Hollywood Billiards. Addington has developed several properties in Texas and in Sacramento. He is currently a law student. Mr. Addington was nominated and unanimously elected to the Commercial Property Owner seat.

Yee then noted that the September 15th special PAC meeting had been postponed until a later date. This meeting was to distribute to the greater community the MM Plan and the Special Use District documents for review. It was decided that the documents would not be ready by the 15th and another date will be selected.

He also noted that October 14th there was schedule an informational presentation at the Planning Commission on the Mid-Market Plan and SUD.

Mid-Market Special Use District (SUD) Marshall Foster from City Planning began this discussion. He told the group that he and other City Planning officials had been working with the MM Projects Committee and the SUD Working Group to complete the SUD document. There are basically two unresolved issues. These are Residential Parking and FAR Incentives. There is a residential parking standard and there are FAR incentives now in the City which are used as a tool to control development. A 6 to 1 ratio is used all over the City.

Foster noted that it has been suggested that a no cap limit on FAR's be implemented in MM. No cap limits on FAR's creates a potential problem of undermining Transferable Development Rights (TDR's) which are used as incentives.

A financial consultant is currently working on a financial performa to determine an incentives"picture".

Some discussion followed:

George Williams noted that the residential parking issues must find common ground and that more work in the SUD Working Group must be done.

Bob McCarthy noted that relying on existing incentives has not been that valuable and money from SFRA will be limited. We are looking to find economic stimulants and need to find something that will bring development to Mid-Market. If zoning is more restrictive developers will go elsewhere like Rincon or downtown where all FAR's may be removed under the pending Leno legislation. Currently there is no incentive package that will overcome blight.

Williams asked if all tax increment money will go to affordable housing?

Jose Campos answered that according to Calif. Redevelopment Law 20% goes to affordable housing the rest can go to economic development.

John Elberling asked where the money is. This is the single most important element of the project. There is a strong housing bias and has been at the Agency. But where is the money for non-housing development. This is the big question. How can we get Bloomingdale's money back? There will be significant money from that project and only a fraction has to go to housing.

Foster returned to the subject of FAR exemptions and said Planning is looking at other parts of the City. They are not planning to remove FAR restrictions in the City. Rincon has some lifting of FAR's but that is a different project. He noted that Planning thinks they can find a way to make TDR's and FAR exemption work in this district.

Addington asked if we fund TDR's can we exempt FAR's?

Foster said that was a good question and didn't have a quick answer for him.

Craig Adelman said that he needed clarification. He was confused and the reasoning seemed backwards. If you don't restrict the housing with FAR then you effect TDR's?
Is this correct?

Foster said that they are looking at leveraging different kinds of incentives. They are looking to provide a menu of incentives that developers can choose from. This menu would include FAR's and TDR's.

Charles Chase from SF Heritage noted that TDR's were seen as a preservation tool. They provide for retention of a resource.

Elberling stated that Mid-Market is the wrong district to ask for TDR's. Should go to a place like Rincon where the TDR's mean something. This is backwards. Mid-Market needs the resources, it needs the amenities. Go to the deep pockets like Rincon or South Beach and give amenities to 6th Street and Mid-Market. It should be like a Robin Hood procedure. Don't have Mid-Market try to be the district to save historic buildings. This is the wrong district to subsidize Redevelopment. We need to minimize costs to developers.

Sam Noily noted that there should be some compromise in between.

Addington asked if one could buy height?

Campos answered not now under the EIR report.

Foster said the Planning is looking at a "re-sculpted" skyline. But for now you would need a new EIR and it would raise the question of applying it to the overall study.

McCarthy said this is why we have Redevelopment, to change the area. It would not need a new EIR only a supplement to the EIR would be required.

Campos responded that even a supplement to the EIR would take time.

Here Chair Yee ends the discussion and asked PAC members and guests to submit more comments and questions regarding the SUD to PAC staff. He asked that all submissions be sent by September 17th.

Mid-Market Redevelopment Plan: Jose Campos led this discussion on comments on the Redevelopment Plan. The first item for discussion was a review of Goal A 1. This goal states: Maintain or replace one-for-one the overall total amount of affordably priced housing, both private and non-profit, that existed within the Project Area when the survey area for the Redevelopment Project was designated in 1995.

According to a survey done by SFRA in 2001 the estimate of affordable housing units in the MM Project Area were 1,221. This survey also estimates the number of affordable housing units in the MM Project Area in 2001 were 500. Therefore the number of affordable units that need to be replaced is 721. The discussion was whether these numbers are now accurate.

Elberling: SFRA has to replace any units lost.

Williams: How did some of these units become un-affordable?

Campos: Rent controlled units go off the market or AMI goes up and the % of income goes up.

Elberling: The magic number is 1,221. The opposition to Redevelopment is that it will gentrify the Mid-Market and Tenderloin areas. The answer to this is that we will have as many affordable housing units at the end of Redevelopment as we did in the beginning. I will put this in the "obligations" section of the Plan which means the SFRA must do it.

Sam Noily: There are assumptions that private development would produce units at estimates of 12% and 15% inclusionary rates. Why the 15% rate, I thought it was agreed that inclusionary would follow the City rate which is 12%?

Campos: This is a continuing part of the SUD discussion on incentives. State law requires 15% of all units built in an area be affordable units end of the 30- year plan. The PAC wants to go with the City's 12% rate required for private developers. This issue will have to be resolved.

Campos then discussed the next tasks to move the MM Plan towards completion. A review of goals, objectives, projects and programs for redundancy with SUD and completion of other necessary text changes/clarifications is necessary and a review of suggested modification to "aggregation" section of eminent domain language is also left to be completed.

Marty Cerles: What about transportation and the SUD. What are we going to do about the parking issues? The commercial parking is the same as what the City now allows. Why?

Campos: You have to balance it all out, you have to formulate something that will be passed by the Board of Supervisors.

Jeremy Nelson: I would like to respond to Marty. There are no roadblocks here. The PAC did not like the proposal on commercial parking that Planning brought to the table so it went back to the current code.

Carolyn Diamond: These are the issues that are being discussed at the Monday SUD Working Group meetings. More PAC members need to be present to participate in the discussions with Planning.

Agency Staff Report: Campos discussed the schedule for Project approval. He explained that if all documents were approved and signed by Dec. 2, 2004 we could capture tax increment and receive the first tax increment check by Dec. 2005. However, this looks unlikely because at this point the City's Housing Element document, a State required document, has not been approved. It must be approved before any new Redevelopment Projects can be adopted. There is a chance that the City will have approval of the Housing Element but even then it would be a very aggressive schedule for the PAC to have all documents signed by Dec. It is more likely that MM documents will be completed by early next year. This means that the MM Project Area's first tax increment check will be received in Dec. 2006.

However, he recommended that the PAC continue with the momentum that it has been and complete the MM Plan and the MM SUD.

He discussed the August 17th MM informational workshop at the Redevelopment Commission meeting and encouraged more PAC members to attend future workshops to show support of the Plan. There were representatives at this workshop noting they were not satisfied with the Plan's treatment of transportation and pedestrian issues and few PAC members were there to respond to these issues.

He announced that on Oct. 17th there will be an informational hearing regarding the Plan and the SUD at the Planning Commission and encouraged PAC members to be there.

The Preliminary Report and the Implementation Plan are nearly complete. These are important documents and the PAC will be asked to review them in the next couple of weeks.

PAC Staff Report: Carolyn Diamond reported that the survey of how to contact PAC members and guests had been completed. Members and guests were asked if they preferred snail mail or e-mail to receive MM meeting schedules and minutes. Most of those polled continue to prefer snail mail.

Lynn Valente reported that a second TL Summit had been scheduled. This summit will feature a 10-15 minute report from a variety of community groups. The summit will be broadcast live on radio station KPFA 94.1 fm. The summit will be at the
Blue Cube – 34 Mason Street on Sunday, Sept. 26th from 2-6 pm. She told the group that there were slots available and encouraged PAC members to volunteer to discuss the MM Redevelopment Project at this forum

Public Comment: Michael Nulty reported that the Municipal Transit agency voted to approve a plan to eliminate 5 bus stops in the north of Market Street area.

He also distributed the latest edition of Central City Extra newspaper.

The meeting was then adjourned.

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Wayne Wong

Mid-Market
Project Area Committee Meeting
Wednesday, October 13, 2004
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

Agenda

I.	Welcome and Introductions	(5 Min.)
II.	PAC Announcements	(5 Min.)
III.	Approval of PAC minutes. (Action Item) Election of PAC member (Action Item)	(10 Min.)
IV.	Charles Chase, SF Heritage Presentation on Transferable Development Rights	(15 Min.)
V.	Mid-Market Special Use District (SUD) Update on discussions on MM SUD	(30 Min.)
VI.	Mid-Market Redevelopment Plan (Working Draft) Update on discussions on MM Plan	(30 Min.)
VII.	Agency Staff Report	(15 Min.)
VIII.	PAC Staff Report	(5 Min.)
IX.	Public Comment	(5 Min.)

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* Residential Tenant 3 seats

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Minutes
Mid-Market Redevelopment PAC Meeting
October 13, 2004

Members Present: David Addington, Craig Adelman, Patrick Banks, Katherine Bernitt, Marty Cerles, Linda Corso, Sam Alicia Duke, Carolyn Diamond, Anthony Faber, David Hart, Tom Hart, Ralph Lee, Lesley Pierce, Patrick Simms, Eric Tao, Badru Valani, David Wilbur, George Williams, Byron Yee

Members Absent: Will Arnett, MaryEllen Churchill, John Elberling, Samuel Noily

Agency Staff: Lisa Zayas-Chien

Welcome and Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: Anthony Faber gave a brief report on the Hallidie Plaza Design Charette that is being hosted by the City. The charettes are open to the public and will continue for two more days.

George Williams reported that the MM Projects sub-committee was given a presentation by the project sponsors for the 10th & Market mixed-use development project Special Use District (SUD). The 10th & Market project has developed its' own SUD since the MM SUD is still being drafted. The 10th & Market SUD is necessary for "relief from residential density and FAR limits, and for the height exception for mechanical space for the possible office building."
The presenters noted that the 10th & Market property would be subject to any MM SUD provisions that apply so long as they do not conflict with the 10th & Market SUD or other entitlements for the project or "otherwise adversely impact the 10th & Market project."
According to Valerie O'Donnell of TNDC the proposed 10th & Market SUD differs in at least two ways from the MM SUD. These are:
Section 5 – the building design is a bit different and
Section 8 – the parking is not uncoupled because their funding sources do not allow this.

There is a hearing regarding the 10th & Market SUD tomorrow, October 14th at the Planning Commission in City Hall at 1:30 p.m.

Linda Corso asked that the Chair start the meetings at 5:30 and requested that all PAC members be on time so that we could have a full two hours and not have to go past 7:30 p.m.

Approval of PAC Minutes: The minutes of the Sept. PAC meeting were approved.

Election of new PAC Members: Chair Yee announced that three of our current PAC members had missed the allotted number of meetings under the MM Bylaws and all three have asked to be re-instated.

These members: Mark Casagranda – Commercial Property Owner
Tom Hart – Commercial Property Owner
Richard Livingston – CBO – Arts and Cultural Organization – Exit Theater
Each gave a brief statement and asked to be re-elected. Each was re-elected unanimously.

Next Yee introduced a new candidate for the open position of Commercial Tenant that was vacated by Justin Logan. This new candidate, Kathleen Diehop of Art House gave a brief description of her organization which is located at 1360 Mission Street. Art House assists artists obtain real estate and houses various arts groups in their 1360 Mission headquarters. Diehop has experience in redevelopment projects and worked on the Market Street Study and has assisted on some financing assumptions for other redevelopment projects.

She was elected unanimously.

Next, Yee introduced Nerea Iturriotz, a resident of Trinity Plaza at 1169 Market Street. Iturriotz has resided in the Trinity Plaza for 12 years. She is interested in the developments in Mid-Market and interested in improving the area. She stated that she hears fellow residents say they are afraid of the neighborhood and she wants to make it a safer place to live.

She was elected unanimously.

Charles Chase, SF Heritage: This presentation was postponed.

Mid-Market Special Use District (SUD): Lisa Zayas-Chien, who had just returned from vacation, remarked that she was told "baby steps" had been made in the formation of the SUD document. She turned over the discussion to Marshall Foster of the SF Planning Dept. Foster distributed an update on the MM SUD. Foster told the PAC that progress is being made to resolve issues in the SUD. To date issues regarding public parking and the reuse of historic buildings have been resolved. Issues still on the table are floor area ratio (FAR) incentives and residential accessory parking.

New ideas are continued to be considered on how to streamline the approval processes. These ideas are focused on means to avoid the "conditional use" process when dealing with housing, arts, retail and community services.

Foster announced that he had obtained an interpretation of Code Section 124(f) from the City's Zoning Administrator. This interpretation is in part:
"In C-3-G and C-3-S districts, units required under Sec. 315 technically qualify for the floor area exemption provided under Sec. 124 (f), because they meet the minimum affordability requirement of 150% of the city's median income. Thus, affordable units provided to meet the requirement of Sec. 315 are exempted from the base floor area ratio limit in C-3-G and C-3-S districts."

PAC members responded to this announcement.

Linda Corso: If the 17% off-site below market rate (BMR) units could be exempted?

Foster: There needs to be clarification on this.

Richard Livingston: It seems that FAR incentives for the arts may be negatively affected by this interpretation. Does this ruling undermine some of the arts incentives? Do we now have to go and find additional incentives because the FAR is not going to create as much arts use as it might have before this?

Foster: Let me make one distinction. We have been talking about the issue of what incentives we create, new incentives, and how they will relate to the City's TDR program, a tool for the City's historic preservation program.
This is an issue that is separate from what I have been describing here. This is a clarification of how the existing Planning Code operates. This is the only area in the City that has this exception for housing at 150% of Area Medium Income (AMI). It has never been tested how this would work with the newer City inclusionary ordinance. Yes, it does reduce the amount of floor area that there is to bonus. It does also reduce the amount that is available to purchase TDR. Our larger concern with the PAC proposal from earlier in the year was that we wanted to make sure the bonus was not just for housing but for arts and also for historic preservation. We still stand by that and feel that it needs to be a balanced menu of incentives that gives space to the arts and not just housing. So you are correct, it does change the dynamic, it does reduce some amount of the "pot" that there is to bonus. We still believe it needs to be distributed equally between these public goods, preservation, arts community etc.

George Williams noted that this doesn't mean that a larger building can be built. It just means that to get above the 6 to 1 FAR you don't have to do it all by TDR or whatever other incentives there are because 3/4's of a FAR you get simply by virtue of the fact that you do the BMR units on time.

Foster: That is correct. This doesn't change the building envelope.

Corso: With the arts bonuses is it possible that a small building that does not have the square footage to give to arts give money to another building or off-site and still get a FAR bonus? It still gives an incentive for people to give to the arts even if they can't do it in their building.

Foster: This has been brought up many times and I think that the Planning and Redevelopment people support that kind of approach.

Corso: We should put this language in our SUD. There are a lot of small buildings who simply can not do arts in their building.

Kathleen Diehop: It is going to affect the TDR's if you can acquire development rights by putting into an arts fund pool. But what will encourage the development of the arts are funds. We have talked about this at Projects Meeting and also talked about the question of the Agency buying TDR's. Next, referring to 124 (f) this only applies to projects that have 20 years dedicated to 150% AMI. So this is not for projects coming, there are subsidy sources out there for housing. This is a fairly narrow use. What we are really trying to get to in this SUD with a 12% inclusionary would not count against FAR in mixed use income housing. If it had a broader opening it would have a greater impact. This ruling applies to a very narrow amount of projects.

Foster: The City's BMR requirement is actually more extensive in terms of requirements on the tenure and the depth of the affordability. We see it as a tool to ensure that affordability gets created and that there is a bonus for it.

Eric Tao: I still don't understand. We are proposing an SUD that by-right you are going to BMR units not counted against the FAR anyway .The current interpretation still requires that you get a conditional use (CU). So it really doesn't matter for our SUD. It is irrelevant.

Bob McCarthy: No project for the last 19 years has used this provision.

Craig Adelman: I want to response to the housing, every new project should be subject to getting some FAR excemption. The TNDC project from the inception was counting on 124 (f). Any affordable project has restrictions by their subsidies and these restrictions will be more restrictive that 150% for 20 years. So there is applicability within this neighborhood when talking about producing a fair number of affordable units. Also, I agree with an arts contribution for a FAR bonus if creating a new off-site arts facility or renovation of one within the Project area.

Williams: If this kind of fund is created it has to be competitive with the purchase of TDR's.

Casagranda: There are buildings now in MM that would make great art spaces. There needs to be some linkage between a developer and the owner of the property to incentivise the owner to convert it.

Hope Swift: It seems that a FAR bonus is a definite advantage to a large developer. Does it discriminate against a smaller developer? When did this come into effect?

Foster: FAR bonuses are one of the oldest zoning tools on the books. It is equitable for both the large and small developers. We only use these bonuses in downtown, not in neighborhoods.

Foster began to wrap up the discussion by listing some of the more technical issues that "we got straight" regarding the FAR exemptions. Currently a percentage of your ground floor and a percentage of accessory parking can be exempt but these are different issues than going from the 6 to 9 FAR increases. He discussed the supply and demand of TDR in the district. He gave an approximate number of 1.8 million potential sq. ft. of TDR supply in the whole C3G district. Thus far approximately 1.2 million sq. ft. of this total has been certified by the Planning Dept. So far only 56,000 sq. ft. (about 4%) has been used. This indicates that very little development has happened that needed these kinds of bonuses. Planning will use this number to determine how much demand is going to be needed for new development and make sure there is the supply of TDR's that will be needed to build in MM.

Tom Hart: Are these numbers for the SUD or for the zoning district?

Foster: In the zoning district.

Corso: Does this mean you can only buy TDR's from within the MM Project Area or from the C3G district.

Foster: I would not recommend it to be restricted to the MM Project Area, this would give you a greater supply. More information will be coming on this issue.

Livingston: You might want a policy in this SUD that restricts the TDR's so the value of TDR's is increased.

Tom Hart: Maybe we can preference TDR's in this district and make them more valuable by saying they are 2 for 1.

This was the end of the discussion and Chair Yee noted that further discussion would be held at the Monday SUD Working Group meetings and encouraged more participation.

MM Redevelopment Plan: Lisa Zayas-Chien noted that she would combine her Plan report and the Agency Staff Report.

She noted that on the Plan the staff was going over comments one more time to make sure everything was addressed and there were no loose ends. She noted that the next couple of Monday meetings would concentrate on the SUD.

She announced that she has obtained the new numbers from the Assessor's Office for 2004-2005 and she will be putting these into the new tax increment projections. Also, the boundary map has been updated with the State.

She stressed that all parties need to try to complete their work by the end of this year so the documents can go to the community for review and then to the PAC for final editing and approvals. We have to be done with all of this by June of 2005 to capture the 2004- 2005 base year.

McCarthy: We are waiting for the new economic analysis and the tax increment projections.

Zayas-Chien: That is what we are working on now and will probably have it in the next few weeks with the new economic evaluations.

McCarthy: We have been assured that not all of the tax increment financing would go to affordable housing and there would be a list of potential projects that would be funded by tax increment.

Zayas-Chien: In the last preliminary report we projected that about 80% of tax increment would be spent on non-housing projects.

Tom Hart: Since there has been a change in the Planning Dept. will this change the delegation agreement between Redevelopment and Planning?

Foster: We don't know.

Zayas-Chien: There has been a history of not having a formal agreement.

Williams: The current Planning Director does not leave office until Nov. The stumbling block to an agreement has been between the current Director and the Redevelopment Director. Soon this roadblock will be eliminated.

Zayas-Chien said she spoke to Agency staff about the issue of the Agency purchasing TDR's and selling them back at a discounted price to developers. Initially she was told that this could not be done because this was like giving away public funds and this was bordering on illegal. The Agency can buy TDR's like anyone else but the discounting and re-allocation may be problematic.

Diehop: This would be public funds going into a Redevelopment Project. Using TDR money in the district and helping historic buildings move forward would be an incentive. TDR's held by the Agency could be allocated back to developers in the district. This is not a gift of public funds.

Casagranda: This discussion is one worthy of a Projects Committee meeting. There looks like too much emphasis on TDRs and we should look at more art incentives.

Zayas-Chien: Ok. Next, we are going to bring back the financial information and fine tune them together. She announced the opening of Red Ink Studio at 1035 Market Street at a reception on Oct. 16th. This is gallery space and space for artists studios. This is a collaboration of a PAC member, a MM property owner and Red Ink.

Williams: Does the Agency have the money to start a survey of art spaces on MM.

Zayas- Chien: Yes, I am open to suggestions for a survey.

Addington: Is there money for a re-survey for the number of affordable housing units in MM. The prior survey done by John Lucero at the agency only looked at 15 buildings. I copied the survey report and it looks to be inconclusive.

Zayas-Chien: We can have Lucero come and talk about this survey and see if there is anything missing.

McCarthy: The PAC should know that no other Redevelopment Area has a specific commitment to meet a goal of a specific number for replacement housing.

David Wilbur: South of Market has a specific number to replace housing lost after the 1989 earthquake.

McCarthy: Why is the PAC reaching back to 1995 for the number of replacement housing. Redevelopment did not displace these units. No government action has resulted in gentrification of Market Street.

Adelman: The planning process started in 1995. We wanted to maintain the affordability and preserve the affordability components from when we started. It was thought to be an appropriate level. The idea was to use this Redevelopment Project Area as a tool to preserve affordability and preserve the community as we knew it when the planning started.

Corso: This needs more discussion at the Projects Meeting.

PAC Staff Report: Diamond distributed copies of a revised goal which had been discussed in the Projects Meeting. This revision has not yet been approved by the Projects Committee but has been blessed by Agency staff. The Projects Committee will review this at a designated meeting.

Public Comment: Rich Hillis of the Mayor's Office of Economic Development introduced himself. This Mayor has put his focus on the revitalization of neighborhoods and MM is one of them. He offered his help in moving this project along.

Williams: Is a Business Improvement District in MM a realistic process?

Zayas-Chien: Perhaps we need to have a meeting comparing BID's and Redevelopment Plans.

The meeting was then adjourned.

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Mid-Market
Project Area Committee Meeting
Wednesday, November 10, 2004
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

Agenda

I.	**Welcome and Introductions**	**(5 Min.)**
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)** **Election of PAC member (Action Item)**	**(10 Min.)**
IV.	**Charles Chase, SF Heritage** **Presentation on Transferable Development Rights**	**(15 Min.)**
V.	**Mid-Market Special Use District (SUD)** **Update on discussions on MM SUD**	**(30 Min.)**
V.	**Mid-Market Redevelopment Plan (Working Draft)** **Update on discussions on MM Plan**	**(30 Min.)**
VI.	**Agency Staff Report**	**(15 Min.)**
VII.	**PAC Staff Report**	**(5 Min.)**
VIII.	**Public Comment**	**(5 Min.)**

PLEASE BE ON TIME!

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*Residential Owner Occupant 3 seats
* Residential Tenant 3 seats

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Minutes
Mid-Market Redevelopment PAC Meeting
November 10, 2004

Members Present: Craig Adelman, Patrick Banks, Katherine Bernitt Marty Cerles, Linda Corso, Carolyn Diamond, Kathleen Diohep, Sam Alicia Duke, Anthony Faber, David Hart, Tom Hart, Nerea Iturriotz, Richard Livingston, Samuel Noily, Lesley Pierce, Patrick Simms, Eric Tao, David Wilbur, George Williams, Byron Yee

Members Absent: David Addington, Will Arnett, Mark Casagranda, MaryEllen Churchill, John Elberling, Ralph Lee, Badru Valani, Wayne Wong

Agency Staff: Lisa Zayas- Chien

Welcome & Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: Anthony Faber told the group that he was named "smartest man in San Francisco" on the SF usual suspects' website.

Approval of PAC minutes: Carolyn Diamond noted that new PAC member Kathleen Diohep's name was misspelled in the Oct. minutes. Richard Livingston noted that he was present at the Oct. meeting as was Mark Casagranda and their names do not appear as present.
With these notations the Oct. minutes were approved.

Charles Chase – SF Heritage: Mr. Chase thanked the group for allowing him to present the view of SF Architectural Heritage on the use of Transfer of Development Rights (TDR).

The TDR program which is approximately 20 years old is a preservation tool. It is a compensation for building owners who cannot develop because of the historical status of their building and the restrictions placed on it. The purchasing of TDR's allows new development more Floor Area Ratio (FAR) which allows for greater density in a project. Approximately 13% of buildings in Mid-Market can use TDR's. It is not about use of the building but about brick and mortar. The TDR program is a way for the historic

buildings in Mid-Market to remain and support the "grain and fabric of this area". The preservation of historic buildings raises the entire neighborhood. Historic preservation and redevelopment go hand in hand. This is preservation of buildings rather than opposing development.

Questions and answers followed.

Noily: It has been suggested that TDR's in MM have double the value to encourage their purchase. Do you have a comment on that?
Chase: Most TDR's are driven by the market place. I don't know if the doubling in value would have the impact you want. There is a need to look at what are the other aspects of the Mid-Market area that would work like TDR's.

Noily: There are other incentives we proposed that would resemble TDR's. This would be some kind of formula where some money could go to an arts organization for creation of arts and/or arts venues.

Chase: One would purchase "art credits" that would be assigned to buildings throughout the area and that money would go into some pool? Is that correct? That would be reasonable. TDR's would be part of a larger menu because there are some buildings that are not going to be able to utilize TDR's. So **non** TDR buildings could very well have those kinds of incentives attached to them.

Diohep: I see TDR's going two different ways. Buildings can sell and developers can buy. We are not sure if we have more recipients or donors in the district. I understood that you could buy them from any other C3G site.

Chase: You probably have more recipients than donors. There is an adjacency requirement in the Code that the basic gross floor area transfer must be made within 25 feet of the historic property.

Williams: The TDR use adjacency requirement of 25 feet has been changed to use anywhere in the C3G zone or anywhere in the area around the Transbay Terminal.

Chase: What that has done is lower the value of the TDR's. At one time the TDR's were in the $15 to $20 range. Now they are in the $8 to $15 range.

Diohep: Which development projects right now are buying TDR's? If it is Transbay which is different economics then Mid-Market's value is going down.

Chase: I think it is the other way around. The value of TDR's in Mid-Market increases as the demand for them increases in other areas of the City in the same zone district. It is a donor benefit. Within the area the developable sites you just have to do the math where are the height limits allowed and can you get there through the number of TDR's in this district. My notion is that you would never get full build out through TDR's

because there are not that many that are going to work, there are not that many historic resources that are going to contribute.

Williams: In numbers there are many more TDR's that can be used to bring all the development opportunity sites in Mid-Market up to 9 to 1.

Chase: You may have that in raw numbers but in the practical sense there are people who don't want to sell them. There are some TDR's that have been sold and utilized. The demand for the TDR's has to do with the value of the land and the development pressure to use utilize the land and MM is probably not the highest development pressure in the City in terms of where people want to build at this point.

Williams: The point is there is plenty of a theoretical supply of TDR's.

Chase: In terms of development of housing the cost of TDR's for housing has not been an impediment for housing developers to build. It is a small amount of money for the investment and the return on the investment for the development of housing. I think that this is the other part, because housing is so important the market is driving the developers to do this. The collapse of the office market is not pulling the TDR's in and the value of them is low. In general the development community will buy TDR's within their area.

Swift: We understand that in the new UC Project there are two historic buildings and they cannot be demolished. Is this true?

Chase: For these particular buildings there is no prohibition to demolish. There are different protections for every category of historic buildings and not all enjoy demolition prohibition.

Zayas-Chien: Can you speak to the other incentives for historic preservation and how you feel about them.

Chase: One of them that isn't taken advantage of is the donation of conservation easements. In this case the internal space of the building is held privately but the exterior of the building, the façade, is donated to a non-profit like Heritage. That allows the property owner to take a 10% to 15% federal tax credit for that donation. There is a 10% housing tax credit, and a Federal Rehabilitation Tax Credit which can be up to 20%. Some say that these Federal incentives require too much paper work. There are no really State sponsored incentives. There is a one-time State sponsored incentive, Prop 40, on its way which is $267million for rehabilitation work for certified historic properties. The Mills Act is a State act but administered through the City. It is a contract

based on a maintenance program for historic buildings, inside and outside. This contract is for 10 years and reviewed every year. This results in property tax reduction benefits; it lowers the taxes and is in perpetuity meaning that if you sell the property this contract goes with it. It reduces the assessed value. There is a Mills Act contract pending on 690 Market Street.

Mid-Market Special Use District and
Mid-Market Redevelopment Plan: Lisa Zayas-Chien distributed charts showing Mid-Market Tax Increment Projections for the 2004-2005 Base Year and financial assumptions to meet Minimum and Optimum Affordable Housing Production Targets in Mid-Market.

The discussion began with the affordable housing issue in the MM Project Area. The tables show that the Agency expects approximately $23 million for affordable housing. Using conservative assumptions of the development and cost of housing the overall picture indicates that Mid-Market can meet the housing goals of the Agency which is based on Community Redevelopment Law at 15%. However, the PAC has set its own affordable housing goals and with these assumptions the indication is that the PAC goal may not be met. The PAC goal is to have at least the same number of affordable housing units in MM as there was when the planning of MM started in 1995. This number of units was concluded to be 1,221. Using the 1,221 in the assumptions the PAC goal may not be met.

However, further discussion led some to conclude that this goal could be met when rehabbed single room occupancy (SRO) units are included in the assumptions. The assumptions only count new units.

Some comments included:

By including rehabbed SRO's the PAC goal is realistic.

The 1221 number was based on one person households (SRO's) and now we are talking about family housing and more than one person households. This should be counted in some way, maybe not units, but by persons housed.

The number 1221 based on 1995 units is not realistic. We should not use these suspect numbers. We should base our target number on actual units existing now.

The agreement was that we would not gentrify the area. That agreement was in 1995 when survey area was formed.

Setting a goal for the number of affordable housing units should be done. The 1221 is OK as a goal but don't let it inhibit development.

One of the tables presented show a 15% inclusionary requirement. This is a disincentive for development.

The 1221 goal is achievable.

I was unaware that the PAC goal was 37% of new housing be affordable. It seems that we are mixing goals and policies in this discussion. The inclusionary % should be a discussion in itself.

Zayas-Chien: The goal should be higher that the minimum 12% inclusionary. The amount of City resources is huge. $100 million will go to MM. That is a lot of public support going into MM. If MM uses City wide funds, it means some other City project will not get it.

What is missing from these charts is how many affordable units exist now. We assume from this information that there are zero.

This is a good exercise. The chart numbers and assumptions are not complete. They should list TNDC, Mercy TODCO units that will develop.

Zayas-Chien: Tax increment for affordable housing is what is in the tables. There are other levels of funding that can be included. Our Monday Projects Meeting will be discussing what is an affordable housing target.

How do you define affordable? How do you count these? When I move out of my apartment it will no longer be affordable.

We need to define our commitment to the community.

There are 600 units on one block on Eddy Street. The economics would suggest that the SRO momentum will continue. I suspect that these will take care of themselves.

Chair Yee concluded this discussion and noted that more discussion on this issue would be done at a Monday Projects Meeting.

Public Comment: Daisy Anarchy representing Sex Workers Organized for Labor, Human and Civil Rights spoke to the group. Her presentation was to inform the PAC and guests of what is happening in the adult use venues on Market Street. She noted that the adult businesses combined were one of the biggest businesses in Mid-Market.

She distributed a package of letters from women who work in dance clubs that describe health and labor code violations. The health and safety of dancers in these clubs is at risk in the current environments. The vice-dept of the SF Police Department has intervened in the past but they end up arresting the dancers for prostitution, which many involuntarily participate, and the club owners and customers were not charged with any illegal activities. Complaints listed by workers in these clubs varied from illegal classification of employees, unpaid minimum wage, stage fees, commission fees or quotas which had to be earned, illegal private booths/rooms/cubicles, and assault. When cases have been presented to the Labor Commission it has ruled in favor of the dancers however, the club owners continue to use illegal labor practices.

According to her report Supervisor Chris Daly will be proposing legislation to legalize private rooms/cubicles/booths.

Asked what she wanted from the PAC she answered that she wanted a resolution to end illegal practices in dance clubs and if there is legislation from Supervisor Daly, the PAC needs to oppose it.

Next, an outreach worker spoke. She asked that we help end discriminatory practices happening in the clubs and in the area. Private booths in clubs work against legalizing prostitution. Reject the legislation.

The meeting was then adjourned.

eting: November 10, 2004

tatus	***Action:***	***Party***	***Description of action to be taken.***
letter to support club rkers	pending	PAC staff/ Daisy Anarcy	Obtain a draft letter and submit to PAC for approval
oll members regarding time f Projects Meeting	pending	PAC staff	Poll members to see if the starting time of 4 pm should be changed to encourage more participation

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Agenda

Mid-Market
Project Area Committee Meeting
Wednesday, December 8, 2004
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

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Ralph Lee
Richard Livingston
Samuel Noily
Lesley Pierce
Patrick Simms
Eric Tao
Badru Valani
David Wilbur
George Williams
Wayne Wong

I.	**Welcome and Introductions**	**(5 Min.)**
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)** **Election of PAC member (Action Item)** **Letter to end illegal practices in MM dance clubs as requested by Sex Workers Organized for Labor, Human & Civil Rights (Action Item)**	**(10 Min.)**
IV.	**Mid-Market Special Use District (SUD)** **a.) Discussion of funds for arts/cultural development** **b.) Update on discussions on MM SUD (Action Item)**	**(40 Min.)**
V.	**Mid-Market Redevelopment Plan (Working Draft)** **Update on discussions on MM Plan**	**(35 Min.)**
VI.	**Agency Staff Report**	**(15 Min.)**
VII.	**PAC Staff Report**	**(5 Min.)**
VIII.	**Public Comment**	**(5 Min.)**

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Minutes
Regular Mid-Market Project Area Committee Meeting
December 8, 2004

Members Present: David Addington, Craig Adelman, Will Arnett, Patrick Banks, Katherine Bernitt, Mart Cerles, MaryEllen Churchill, Linda Corso, Carolyn Diamond, Kathleen Diohep, Anthony Faber, David Hart, Tom Hart, Ralph Lee, Samuel Noily, Patrick Simms, David Wilbur, Byron Yee

Members Absent: Mark Casagranda, Sam Alicia Duke, John Elberling, Richard Livingston, Lesley Pierce, Eric Tao, Badru Valani, George Williams, Wayne Wong

Staff: Lisa Zayas-Chien

PAC Announcements: There were no PAC announcements

Approval of PAC Minutes: (This agenda item taken out of order due to the lack of a quorum at this point of the meeting)
The minutes of the November meeting were approved.

Approval of letter of support as requested by Sex Workers Organized for Labor, Human & Civil Rights (action item) This support letter was presented by Daisy Anarchy of Sex Workers Organized for Labor, Human & Civil Rights. At the November 2004 Anarchy made a presentation to the PAC and asked for a letter of support. This was a follow up to her first presentation. She distributed a draft letter and comments were made. The group was supportive of her cause yet requested some editing of the letter. It was agreed that this editing would be done and at the January 2005 the letter would be brought back to the PAC for approval.

Mid-Market Special Use District (SUD): Marshall Foster of the Planning Dept. made this presentation. He first announced that his team has been working with the new interim Director of Planning, Mr. Dean Macris. Macris was Director of SF City Planning for many years and is familiar with the Market Street area. Foster's team is also consulting on the MM SUD with the Mayor's Office of Neighborhood Development and they are pulling in the Northeast Neighborhood Planning team and the zoning administer.

It is anticipated that the Planning Commission will see the MM SUD on January 20, 2005.

He next discussed specific issues starting with "arts incentives". A key goal in the MM SUD is to give real incentives for the arts and enable them to be in MM overtime. One idea is to create a TDR-like program for the arts. In its simplest form this would be a fund created by developers purchasing "arts credits" for extra FAR. Developers would pay into this fund and the revenues would be used in MM for art and cultural developments.
This is similar to the current TDR program that developers currently use to gain extra FAR in their projects. The price of "arts credits" could be based on the square footage that the developers need. The price, who administers this fund and other details will be determined if this proposal gains approval from all parties involved. Foster stated that they want to see a program that is flexible and practical while satisfying the needs of arts groups. Creating a financial tool for groups to do capital improvements, cover moving costs, buy down rents etc are all possible uses of this "grant style" program. Currently developers can get extra FAR by buying TDR's. However, one has to find willing sellers. The "arts credit" program could be arranged so a developer could go to the administering body, whether it be the Hotel Tax Fund or Mayor's office, and write a check.

Kathleen Diohep then discussed a similar program that her organization, Art House, administered in coordination with City funding that was put aside for arts groups during the dot com boom. She noted that there is some funding through Hewlett Packard funds and other grants to build small to middle sized art spaces, but the operating funding of these spaces is expensive. Redevelopment tax increment funding can be used for some operating expenses yet this funding has restrictions. "Arts credits" funds could operate differently.

Questions and answers followed.

Q. Would this funding be used for capital improvements and purchase of space only?
A. Yes, this is for capital type improvement and is more flexible than tax increment. Specific uses of the fund will have to be determined. The idea is that this funding could be used in a variety of ways.

Q. Can the SF Redevelopment Agency fund a lease?
A. We try to stay away from that but I will get more information on it, perhaps an up-front payment would be possible.

Q. A TDR mirror program would provide enough capital to fund arts? Plus, some TDR's are not being sold since the volume of TDR's is small.
A. Hopefully this will be an easier process and an easy alternative to the purchasing of TDR's. Since it is easier it might be more utilized.

Q. As a landlord do I rely on this funding for my lease?
A. This funding would be used for capital improvements not lease. The funds would kick off the arts. The money would be up front.

Q. How does the value of TDR's hold or preserve if you can buy something else?
A. TDR's used for commercial development will be a supply and demand issue. The "arts credits" may be more attractive and sometimes TDR's will be more attractive. TDR's can be bought in the C3G zone and used in Transbay. There will be other property owners in C3G but outside of the Mid-Market area that will buy TDR's. It is creating competition, but Heritage and other groups are OK with other incentives for the common good. Maybe we could only allow "arts credits" in the Mid-Market Project Area to even out the programs.

Q. Does this give you more height?
A. No, this is the same program as TDR's which gives you more FAR not height.

This ended the discussion.

Mid-Market Redevelopment Plan Update: Lisa Zayas-Chien presented this agenda item. She noted that she and PAC staff had gone over all the comments on the Plan to make sure that the comments had been addressed or were in the process of being addressed. She stated that we were very close to completing the plan. There are two issues outstanding: Inclusionary housing issues and Goal A1 referring to maintaining or replacing one-for-one the overall total amount of affordably-priced housing.

She asked if the PAC's goal for the number of affordable housing units existing at the end of the MM Project should be a goal or a mandate. The PAC's goal of 1,221 affordable housing units is 24% of the total stock of Mid-Market housing. The State mandate is 15% of new housing units must be affordable, the City's mandate is 12%.

Q. What can we do to reach the PAC goal and who will be working together to reach this goal?
A. May have to have a higher inclusionary in later years and over time. This is anti-gentrification. This is different that replacement housing.

Craig Adelman: Goal vs mandate is paramount. A goal equals no certainty; a goal has no teeth.

David Wilbur: I agree with Craig. The housing must be a mandate. The numbers can be debated. The South of Market PAC voted up to 20% inclusionary housing with incentives. I encourage this PAC to do this.

Tom Hart: I can't believe we are talking about this, talking about raising the goal post. You have got to be realistic. This will make it more difficult for development.

Craig Adelman: I agree with Tom but we do need a program of incentives that will lower barriers and increase developments to earn tax increment for use towards a variety of purposes including affordable housing over the 30-year plan. We can get to our goal by attracting development.

Zayas-Chien: We need to figure out these issues so we can put this to bed.

The next subject was Mid-Market Sources and Uses of Funds. Zayas-Chien distributed two sheets with financial assumptions. MM Sources and Uses of Funds showed tables of sources and uses of funds for an affordable housing program and non-housing program. The reverse side showed the same information with the use of Bloomingdale's sources. The second sheet showed the projected first 5 years of MM tax-increment for affordable housing and for non-affordable housing. She stressed to the group that no policy decisions have been made at this time. Also, the assumptions on the tax increments are conservative. (For copies of these information sheets contact the PAC staff.)

Agency Staff Report: Zayas-Chien reported that June 20, 2005 should be our drop dead date for completion of our plan. In February and March she will be lining up meetings at the appropriate Commissions for workshops and plan approval. There is a meeting with the Arts community tentatively scheduled for January 20, 2005. The meeting will be at 25 Van Ness Ave. Room 70 at 5:30 pm. She also announced that the "Future of Mid-Market" document is available in draft form. She passed around a copy of this document. She noted that it should be on the MM PAC website shortly.

She announced that at the next Projects meeting the subject of the new PAC, the PAC elected after the MM Plan adoption, will be discussed. Will Arnett volunteered to have the Projects Meeting at 1035 Market Street. The meeting was set for Monday, Dec. 13th at 4:00 pm.

There was no Public Comment so this concluded the meeting.

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Minutes
Regular Meeting
Mid-Market Project Area Committee
January 12, 2005

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Members Present: David Addington, Craig Adelman, Will Arnett, Patrick Banks, Katherine Bernitt, Mark Casagranda, Marty Cerles, Mary Ellen Churchill, Linda Corso, Carolyn Diamond, Kathleen Diohep, Sam Alicia Duke, John Elberling, Anthony Faber, David Hart, Tom Hart, Nerea Iturriotz, Richard Livingston, Samuel Noily, Lesley Pierce, Patrick Simms, Eric Tao, Badru Valani, David Wilbur, George Williams, Byron Yee

Members Absent: Ralph Lee, Wayne Wong

Staff: Jose Campos, Lisa Zayas-Chien

Welcome & Introductions: Chair Byron Yee welcomed the group and asked for self-introductions.

PAC Announcements: Carolyn Diamond noted that since this is a new year everyone had a clean slate for attendance. She reminded the PAC members that according to the by-laws each member was allowed only four absences a year. She asked if any member needed a copy of the by-laws. Linda Corso of the SF Mart at 1355 Market Street announced that the RED INK studios would be occupying the ground floor of the SF Mart in approximately two weeks. She thanked RED INK, Carolyn Diamond and Lisa Zayas-Chien for their assistance in this project.

Approval of PAC minutes: The minutes of the December meeting were approved.

Approval of letter to end illegal practices in MM dance clubs as requested by Sex Workers Organized for Labor, Human & Civil Rights: This letter was approved. Chair Yee will sign and the letter will be sent to the Mayor and various City Department heads.

Mid-Market Special Use District and Redevelopment Plan: Chair Yee introduced this item and then introduced the Executive Director of the

Redevelopment Agency, Marcia Rosen, the Director of City Planning Dean Macris and Rich Hillis of the Mayor's Office of Business and Economic Development. These three special guests attended this meeting to participate in the discussion of the MM Special Use District (SUD). Rich Hillis made a brief statement saying that the Mayor was very supportive of the project and was anxious to begin taking advantage of tax increment for improvements. The Mayor mentioned Mid-Market in his State of the City address and is supportive of the arts district. Director Macris spoke briefly to the group saying that we need to bring Mid-Market to a "fruitful conclusion". Mid-Market needs to proceed so it can capture interest and investment. The needed theaters and diverse housing will create a destination district and increase its value. He asked for the PAC to stay focused and move on to find a means to work with staff's recommendations. He stated he has great hope for the area and it is time to move forward. Director Rosen then spoke and said she was pleased that we could now see the "light at the end of the tunnel". At her last PAC visit she noted the frustration of the PAC and the discussion of whether the MM Plan should go alone or with the MM SUD. Now with the partnership of the Planning Dept., hard work and debate the two documents will go together. This partnership is a good example of bring diversity together. The Plan reflects this SUD, it took the goals & objectives and tried to put it in context. "Problems, Policy and Politics are three streams that must converge. When they do policy changes can be achieved."

Marshal Foster of the Planning Dept. then distributed a summary the MM SUD with issues that have been resolved and issues that are still under discussion.
He briefly reported on the resolved issues which included: Zoning, Height and Bulk, DU Density, Rear Yard/Exposure, Open Space and Public Parking.

One issue that has not been resolved is Floor Area Ratio (FAR). Foster explained this to be a key tool to manage development. The current FAR ratio is 6:1 in this area. Planning wants to retain the existing incentive for greater FAR, which is TDR sales, plus develop an "arts credit" TDR -type of program. This program would be dedicated to Mid-Market. The details of this kind of program would be worked out but it would basically create a financial mechanism to create an arts district. It would allow developers more FAR by buying "arts credits".

The next issue that has not been resolved is Inclusionary Housing. Lisa Zayas-Chien spoke to this issue. She noted that this was a big issue and that two different incentives were built into this inclusionary proposal.

Incentive one: She explained more FAR can be acquired through the integration of Below Market Rate (BMR) units into a residential project. The BMR units can be exempt from basic FAR calculations, allowing a max FAR above 9:1. This goes beyond the zoning administrator's ruling. This goes above the 9 cap and is only available to the MM SUD, not the C3G as a whole.

Incentive two: She noted that the allowance for an additional 15' of height for housing on sites with 120' heights in exchange for +3% BMR units will add more BMR and market rate units in the district when combined with the FAR incentive. The analysis of

the 15' in additional height was devised by looking at properties of 120' and seeing that there was 5' that was empty space with no easy way to take advantage of. With the additional 15' incentive this would total out 20' which could produce approximately 2 new floors for development. Also, she pointed out that the additional 15' would not trigger a new EIR analysis.

For off-site BMR's there are two options, 1. 17% must be built if built off-site and this 17% must be built in the MM SUD. 2. If an in- lieu fee is paid the in lieu fee is to be spent in Mid-Market and calculated to the cost of building in this district

The issue of increasing the % of inclusionary housing five years after the MM Plan adoption to 15% on-site and 20% off-site was explained by Director Rosen who noted five years to begin development and the 18 months given once permits are issued seemed reasonable. The five years gets catalyst projects to move forward. Also it promotes more market rate and affordable units, economic diversity, greater opportunity for mixed housing on site and meets anti-gentrification plans.

Questions and answers followed:

Casagranda - Can the parking spaces in a project be geared to market rate units only?
Rosen - No, everything in the building must be the equitable, can't say the BMR units don't have a parking space option.

Radulovich- The maximum parking rate allowable, 1:1, is higher than the average in the City, this makes the assumption every unit will have a car. Next, why take away the FAR bonus for reduced residential parking after five years? You could have more BMRs and less parking.
Foster - We need to create a balancing act. We need to have "Pioneering Projects" to establish comparables and see people jump into the market.

Noily - What are we doing here today? What direction should we point our questions? We usually hash this out at Projects Meeting.
Zayas-Chien - Today is to present our proposal and discuss it. The Directors wanted to come here and acknowledge the hard work and also listen and participate in some of the discussion. Also, to help determine how many more meetings on the SUD we need.

Corso -. Are we still planning to give an informational presentation to the Planning Commission or should we postpone it?
Macris - You are close enough to vote on the SUD, you are close enough to a final vote next month. Get to the Planning Commission in March and before the Supervisors in

June or July. Go to the Planning Commission this month and just share the information, update them.

Casagranda - If something needs tweaking will Planning respond in a timely fashion?
Macris - If something comes out of committee with questions we will give it top priority.

Elberling - Next month we should vote on this, it is time to make a decision with or without the Projects recommendation.

Diohep - Is the SUD OK in the EIR ? Will the City have one proposal and the PAC have another?
Macris - We want to be together and move to the approval process together.
Rosen- We think our policy meets what the PAC really wants and fits into the spirit of the goals and objectives.

Diohep - I want a full draft of the SUD, including the technical part and the Plan. We can adopt next month.

Foster - The core will be ready by February.
Zayas-Chien – We will fill in the holes of the Plan by next month.

Addington- I am pleased with concessions and it is a step in the right direction. But, the incentives package put together by the BAE numbers is based on no real site. We need to look at a real site like Sam Noily's. Could we have a rendering to see what a building would look like? Then maybe I would change my mind.

Macris: A building massing picture could be done.

Addington: I am concerned, sizing is an issue. My lot is 16,000 sq. ft. What are the set backs? A BART train runs under the site. Some of these incentives are not really accurate.

Zayas-Chien – Every site is different.

Williams – Every developer is working with architects and their numbers should be shared.

T. Hart – What is going to be represented to the Commission, the incentives have restrictions coming along with it.

Macris – We will not misrepresent the PAC's opinion to the Commission.

T. Hart – There does not seem like a lot of incentives to attract big development.

Macris – The market for housing is now, one must take the risk. No assured way to tell if it will work. We will find out. Testing is in the field. The fear is that we will take too long to take advantage of the need for housing now.

Wilbur – I am disappointed in the 12% inclusionary. Is Planning committed to affordable and middle income housing?
Rosen- As you know I agree with you. I would have done higher inclusionary but I think this is a good compromise. Overall, we are trying to meet multiple goals, which is why I am supporting market rate development. In other areas inclusionary is higher, up to one-third in some areas that have more land. This is a balance, not a perfect world but a fair balance. This balance will get catalyst projects moving forward.

CJ Higley – I represent properties in the Project Area. I support the plan and action should be taken.

McCarthy – There are some incentives but I think the disincentives outweigh them. Other districts have higher inclusionary but they have higher incentives. There are greater burdens placed on this district for inclusionary housing.
Give us:
No greater inclusionary housing until a 10 year period instead of 5 years
Don't limit to 15% to parking, need at least 20%. Below ground is too costly
Don't require Sec. 272 #2 be met as a criteria for Bulk Control

Macris – Some of these concerns can be dealt with, we can make some adjustments

Adelman - As far as "arts credits" is there a market? Is our district substantial enough to do this? How will it be priced? Also, I want to bring up the 5 years before the inclusionsary goes higher. I don't think it is enough time, development takes a long time.

Rosen - With the 12% inclusionary and the Agency's requirement of 15% there is 3% that is shifted to public money. Those who have already made proposals will get through the 5 years easily. The safest way to meet CA Redevelopment Law is to have 15%. Mid-market tax increment will have to be put into housing to meet the 15% requirement. This is less money for all other goals. We want a funding source for historic buildings, arts, low market housing etc. It seems fair to me that 15% after 5 years is equitable. You can't ask taxpayer to pay for 3% of your units.

Elberling – Applications are not a projects, there are 100's of projects not built. The economics are not there to make it happen. Nothing is being built today. I can't agree with Marcia. The quality of life in the district is lousy; there are no amenities here even

though the transportation is good. It will take more than 5 years for things to get better. It will take 10 years to change this neighborhood. Developers can ask for 10 years.

Rosen: 3% is not that big of a number – the other side of 15% is zero. Then you get nothing. There needs to be compromise.

Guest- When the market can support it, then give us the 3% more that the City's requirement.

Diohep- The "arts incentives" alone will not build the arts district. Maybe the 5-year piece of the inclusionary plan should be changed from years to number of units built as a measure of when the higher inclusionary should be enacted.

Radulovich – Don't replace old blight with new blight. Keep incentives that draw the right developers and use strong urban design principles.

Whitney – Incentives will help – you need to keep a plan that "incentivises" other developments.

Noily – I think we have a good proposal. The choices for new housing will be South Beach or downtown. We need the incentives here at least until the area is vibrant.

Livingston: It is refreshing to see the Directors here and have them tell us to move on. My concern continues to be Eminent Domain.

This concluded the discussion. It was determined that the next three Projects meetings will focus on the MM SUD so it can be completed.

Projects Committee Report: This item was postponed.

Agency Staff Report: There were no specific items to report.

PAC staff Report: There was no PAC staff report.

Public Comment: There was no public comment.

The meeting adjourned.

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avid Wilbur
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Mid-Market
Project Area Committee Meeting
Wednesday, February 9, 2005
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

≡Agenda

I. Welcome and Introductions

II. PAC Announcements (5 Min.)

III. Approval of PAC minutes. (Action Item) (10 Min.)
Election of PAC member (Action Item)
Approval of letter of support for AGI Project (Action Item)

IV. Mid-Market Special Use District (SUD) (40 Min.)
Review final draft of the SUD and
approve a motion that this draft be presented to
the public (Action Item)

VI. Mid-Market Redevelopment Plan (45 Min)
Review and discuss Goal A1 and Goal C9 (Action Item)
Review and discuss the Eminent Domain policy (Action Item)
Review and discuss any other outstanding items in the Plan (Action Item)
Approve a motion that this draft be presented to
the public (Action Item)

VI. Projects Committee Report (5 Min.)
Discussion of the Articles of Formation and
MM PAC bylaws regarding the new MM PAC
(Action Item)

VII. Agency Staff Report (5 Min.)

VIII. PAC Staff Report (5 Min.)

IX. Public Comment (5 Min.)

REMINDER: THE MID-MARKET DRAFT PLAN AND THE SPECIAL USE DISTRICT PROPOSAL CAN BE VIEWED AT www.midmarketpac.org

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David Hart
Tom Hart
Nerea Iturriotz
Ralph Lee
Richard Livingston
Samuel Noily
Lesley Pierce
Patrick Simms
Eric Tao
Badru Valani
David Wilbur
George Williams
Wayne Wong

Minutes
Mid-Market Regular PAC Meeting
February 9, 2005

Members Present: Craig Adelman, Patrick Banks, Katherine Bernitt, Marty Cerles, MaryEllen Churchill, Linda Corso, Carolyn Diamond, Kathleen Diohep, John Elberling, Anthony Faber, David Hart, Tom Hart, Ralph Lee, Richard Livingston, Samuel Noily, Lesley Pierce, Patrick Simms, Eric Tao, David Wilbur, George Willams, Byron Yee

Members Absent: David Addington, Will Arnett, Mark Casagranda, Sam Alicia Duke, Nerea Iturriotz, Badru Valani

Staff: Lisa Zayas-Chien, Jose Campos

I. Welcome & Introductions: Chair Yee called the meeting to order and asked for self-introductions.

II. PAC Announcements: Linda Corso announced that RED INK STUDIO gallery will open in the SF Mart, 1355 Market Street, on February 19, 2005.

Patrick Simms announced that a dance studio will be opening at 1306 Mission Street. Saturday, February 12th there will be a fund raiser at Yerba Buena Gardens for this organization.

Kathleen Diohep announced that there are vacancies at ARTHOUSE, 1360 Mission Street, for arts/non-profit groups.

III. Approval of Minutes: The minutes of the January meeting were approved.

Approval of a letter of support for the AGI Capital Project: Eric Tao provided a draft letter to the PAC prior to this meeting. The letter was a statement of support for his project at 7th and Mission Streets. The PAC voted unanimously to approve the letter, with Eric Tao abstaining.

IV. Mid-Market Special Use District (SUD) Review (action item): Before the beginning of this item Chair Yee announced Ms Marcia Rosen, Executive Director of the SF Redevelopment Agency was present. Mr. Dean Macris, interim Director of the San Francisco Planning Dept. was also present. Marshall Foster of the SF Planning Dept. began this discussion. He told the group that the MM Projects Committee, the Redevelopment Agency and the Planning Dept. had worked very hard on these last difficult items of the SUD but he felt that they had "found middle ground" and he was looking for the PAC's endorsement. He went through each item on the sheet that he provided for the group (attached) and walked through the changes.

Zoning: " Re-zone select C-M and one SLR parcel south of Mission St. to C-3-G. Limit FAR incentives and exceptions to Sec. 134 and 140 to C-3-G parcels. "
This places the focus on C-3-G zones.
Height and Bulk: Establish a minimum streetwall height of 65' on the north side of Mission an N/S streets. Require operable windows on all frontages above a height of 120'. For bulk exceptions in the C-3-G (Sec 272) require that 2 out of 5 criteria for exceptions be met.
Reuse of Historic Buildings: Delete the allowance of 100% of open space to be provided off-site through in-kind development for rehab of historic or UM buildings that do not expand the building envelope.
DU Density: No change
Rear Yard/Exposure: Require operable windows on all frontages above a height of 120'
Open Space: Delete the allowance of 100% of open space to be provided off-site through in-kind development for rehab of historic or UM buildings that do not expand the building envelope. (Same as Reuse of Historic Buildings)
Inclusionary Housing: Eight years after MM Plan adoption the increased % of inclusionary housing will take effect. Allow 20' of additional height instead of 15' on housing sites with 120 -130'heights in exchange for +1.5% BMR units for each additional floor. Upper story stepback must equal to the additional height.
Floor Area Ratio: Allow purchase of "Arts Credits" with proceeds funding a dedicated MM Arts Grant Program. Allow +1:0 addition to max FAR for sites zoned C-3-G/160M provided certain conditions are met.
Residential Parking: Space above-ground devoted to parking is limited to two floors above the ground floor. Above ground parking is required to be lined with active uses on all street frontages to a practical depth. Exceptions may be permitted subject to 309 review. Apply proposed car sharing language from Peskin Legislation.

Foster took questions from the group:
Q. What is practical depth in the Residential Parking section?
A. The practical depth is being worked on now to establish the number.
Q. What is below grade?
A. Underground, below the grade of the site.
Q. What is the % of blue zone accessible spaces?
A. No change to existing code. We will go with whatever is the greater number.

Comment: Representative of the SF Mart: The SF Mart is working on a proposed development project. There are some issues that will not be consistent with the MM SUD but they are working with the Planning Dept. to resolve these issues.

Chair Yee told the group that he is happy that the MM SUD looks like it has reached consensus and congratulated all that have worked on it. Craig Adelman made the following motion: **"I move that the PAC accept the SUD proposal summary."** Chair Yee asked for a second and for discussion.

Discussion: Carolyn Diamond stated that this is not the intention of the action item at this meeting. The action item is for the PAC to approve that this draft be presented to the public for review and comment. Eric Tao suggested that if comments are going to be asked for that there be a time limit placed on it, perhaps all comments must be submitted within 2 weeks. Then comments could be taken to the Projects Committee for review. He asked what the schedule was for getting these documents approved. Jose Campos noted that the final version of the documents must be approved by the PAC by the March 9th meeting. Then public hearings on these documents will be scheduled at the Redevelopment Commission, Planning Commission and the Board of Supervisors. He noted that at tonight's meeting the motion could be to "adopt in concept" and at the March 9th meeting "adopt the final version". Robert Herr asked if the final draft of the SUD could be ready in two weeks. Foster said they anticipate a quick turnaround time.

Diamond said that the MM Redevelopment website was now under construction to allow for comments to be made and sent directly to PAC staff. Kathleen Diohep asked how many comments we thought we would get and thought that Redevelopment and Planning were public and comments could be made there.

Bob McCarthy suggested that the PAC collect the comments, have the PAC modify the documents if necessary, and send to the Agency with the statement that we have considered the comments we received.

For tonight endorse in principal, ask for comments from the public and consider the comments at the Projects meetings and on March 9th endorse the language. This way we are not cutting off the public. Rich Hillis stated that much public comment has been taken already. Eric Tao suggested we adopt it in concept and put it out to the public. David Wilbur stated that he was going to vote against the SUD proposal because 12 stories of housing has 25% of its volume for cars, it allowed 1:1 parking, and 12% inclusionary was an assault on the community. Also, the BMR units exempted were at 125% of AMI. Zayas-Chien and Foster contested this point and said the exempting BMR units were not at 125% but were at 60% for rental and 100% for ownership.

The motion was once again called for and Adelman restated the motion with amendments. The motion called was, " **The PAC endorse the MM SUD summary as presented this evening; release for public review and comment over the next month, consider public comment and SUD text for approval at the March meeting."** The motion was seconded. The vote was called. There were 20 Yes - 1 No – 0 Abstain.

V. Mid-Market Redevelopment Plan: The first item under this agenda item was to Review and Discuss Goal A1 and Goal C9. The discussion began with Goal A1. The amended Goal A1, recommended by the Projects Committee (Feb.7, 2005) is as follows: "Maintain or replace one-for-one the overall total amount of affordably priced housing, both private and non-profit, that existed within the Project Area when the survey area for the Redevelopment Project was designated in 1995. This amount of affordably priced housing units has been determined to be 1,221."
George Williams stated that this amended goal, which included the designated number of affordable units will help address the gentrification argument. The SUD will help in reaching this goal. John Elberling then made this motion: **"Approve the amended goal and add this amended goal to Chapter 4 of the Plan under Agency Obligations."**
He explained why he believed this goal had to be an obligation of the Agency. If you make Mid-Market a better place to live it will drive up rents. To reduce this gentrification there must be an obligation to keep units affordable. The health of Market Street, including improved commercial interests, is important for the City as a whole. The politics of this is that we need to get this plan approved by the Board of Supervisors. Gentrification is a real and good argument. The point is the Board needs to see this is an obligation in the Plan. If it does not become an obligation I will oppose it and call everyone and it will be consequential. Redevelopment has in the past permanently displaced low income residents. It is time to end this and do it right.

Discussion followed:
Zayas-Chien: We share these goals and are anti-gentrification. Because we do not have control or authority over many things we cannot guarantee the number of affordable units. If we guarantee this and are obligated for all units it is about 37% of all housing. The staff supports this in the Plan but not as a mandate.

Richard Livingston: This is a minimal goal and obligation. Even with 1,221 affordable units consider that over 60% are not going to be affordable. We are starting with a community that is affordable and moving to a non-affordable community.

Rosen: I share the goal. There should be a firm policy in the Plan that reflects this desire. But my objection is that a snapshot was taken, an estimate was made of affordable units in a moment in time. The Agency has no control or authority on those private sector units. The Agency would have no control or authority to follow this mandate. It is doable if you contemplate a fiscal merger with Bloomingdale's and up the percentage of permanently affordable units to 18 -20% Then it is measurable and reportable. Then you would achieve an anti-gentrification goal. It is bad policy to make a promise you can't enforce. This is based on actions of the private sector. Calif. Redevelopment Law requires us to produce 20% of total units affordable.

Wilbur: The Redevelopment Project at 3rd & Howard residential units start at $1.7 million. What are we doing to our City? What are the price points? John's proposal is that you are committed to 80%, 60% and 100% of AMI.

Marty Cerles: We want 1221 affordable units. Right now Mercy, TNDC and Trinity are planning on building. They will have at least 12%. How many more projects are going to be built in the next 5 years?

Zayas-Chien: We don't know. Things are changing. Mercy did not get Federal funding.

Rosen: Can't measure if these are affordable. The mandate has to be production related.

Joe Caruso: The Agency would basically have to meet the goal which would be about 37%. You have multiple goals and now this is an increase over and above what State law requires. This is more difficult. If you took all the funding, including Bloomingdale's, could you meet this goal? You are asking the Agency to go over CRL by 15 to 17 percent.

Rosen: How do you guarantee controls over 30 years. We will likely have over 1221 at the end of the day.

Elberling: Nothing can be predicted three decades out. You set up a scenario and twenty years from now the Agency will have to look at the plan. If the Agency believes in good conscience they can't meet their goal they amend the Plan. A goal is a wink and a nod that never gets achieved. An obligation will have to be a Plan amendment. This gives our community interests a place to hold our position. We need this not as a promise but as an achievement.

Kathleen Diohep: One way to achieve this is to acquire SROs. I calculate 1221 as 20% of 6,000 units.

Rosen: Raise the floor and set the production rate at 20%.

Livingston: I don't see why your proposal is inconsistent with John's motion. Is there justification to use all this money and not have 1221 affordable homes? Can we justify the Plan?

Rosen: This is somewhat of a fictional number, a snapshot of housing stock. To be held to a number that can only be changed by legislation doesn't seem to be achieving the anti-gentrification goals. My only resistance is enforcement of an arbitrary number.

George Williams: We could stipulate how far you are achieving 1221 every ten years. We could strategize a formula and design a process and procedure in an agreement.

Rosen: We have no control, what if a guy changes his 500 units to market rate, what if there is an earthquake?

Williams: You could set a procedure. You could stipulate what is affordable.

Rosen: We have multiple goals to meet; we do not have an ever deepening well.

Williams: The priority is affordable.

Rich Hillis: How do you measure this, you can't go to Trinity and ask private development.

Elberling: The real point of the proposal is to keep affordable units. It is clearly resolvable with a system of accountability. Future Redevelopment can amend the Plan.

The discussion ended and a re-statement of the motion was asked for. The motion was re-stated by Elberling: **Add Goal A1 with the amendment to the Plan. Add same amended Goal A1 to Chapter 4 of the Plan as an obligation of the Project over 30 years.**
Chair Yee called for the vote and noted that there were two issues. The first vote was: **Add Goal A1 with the amendment to the Plan.** (The amendment is the addition of this sentence to the goal: This amount of affordably priced housing units has been determined to be 1,221") The vote was called. Yes 14 – No 3 Abstain 3

The second vote was called to **"Add same amended Goal A1 to Chapter 4 of the Plan as an obligation of the Project over 30 years."** Yes 17- No 2 - Abstain 1.

Review and discuss the Eminent Domain policy: PAC member Richard Livingston commented on this issue. He said that he was not convinced that Eminent Domain will be used for what "you want it to be used for". He stated that he had not been convinced to approve the Plan with the eminent domain powers.

There was some discussion on this issue noting that the powers of eminent domain in the MM Plan are restricted. There was no action taken.

Review and discuss Goal C9: PAC member Carolyn Diamond presented an amended version of Goal C9 which was reviewed at a Projects Meeting. She made a motion to amend Goal C9 from its original text which was: "Develop, program and maintain (May need to remove the word "maintain" or qualify it) public open spaces, gathering places and pedestrian pathways that meet the needs of workers, residents and visitors." To this new text: **"Develop public open spaces, a neighborhood park, and pedestrian pathways, provided that mechanisms are available to program, maintain and secure these gathering places."** The motion was seconded & the vote called. Yes 16, No 0, Abstain 0.

There was no further discussion on other outstanding items in the Plan.

Approve a motion that this draft be presented to the public: PAC member Marty Cerles made the following motion**: "Approve the Mid-Market Plan with its' amendments for presentation to the public**." The motion was seconded & the vote called. Yes 14, No 1, Abstain 1.

Richard Livingston asked that the record show he voted "No" to approve the Plan because the Plan included giving the Redevelopment Agency the powers of Eminent Domain.

VI. Projects Committee Report: This item was referred back to the Projects Committee.

VII. Agency Staff Report: There was no Agency report.

VIII. PAC Staff Report There was no PAC staff report.

IX. Public Comment There was no public comment.

The meeting was adjourned.

* These documents may be viewed on-line at www.midmarketpac.org .

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Agenda

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Mid-Market Project Area Committee Meeting

Wednesday, March 9, 2005
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

I.	Welcome and Introductions	
II.	PAC Announcements	(5 Min.)
III.	Approval of PAC minutes. (Action Item)	(10 Min.)
IV.	Mid-Market Special Use District (SUD) Review and discuss comments on the MM SUD draft. Approve the Mid-Market SUD as the final document. (Action Item)	(45 Min.)
V.	Mid-Market Redevelopment Plan Review and discuss comments on the MM Redevelopment Plan. Approve the MM Plan as the final document. (Action Item)	(45 Min)
VI.	Agency Staff Report	(5 Min.)
VII.	PAC Staff Report	(5 Min.)
VIII.	Public Comment	(5 Min.)

REMINDER: THE MID-MARKET DRAFT PLAN AND THE SPECIAL USE DISTRICT PROPOSAL CAN BE VIEWED AT www.midmarketpac.org

This is the final vote of the MM Plan and SUD. All PAC members encouraged to attend!!!

Mid-Market SUD: Proposal Summary
February 9, 2005
Underlined language is new; eliminated language is ~~struckthrough~~.

ssue	Existing Zoning	Initial PAC Proposal (3/04)	City Proposal (SFRA, SF Planning, MOED)
oning	C-3-G, C-3-S, C-M, SLR.	No change to base zoning.	Rezone select ~~C-M, C-3-S~~ and one SLR parcel south of Mission St. to C-3-G. Limit FAR incentives and exceptions to Sec. 134 and 140 (see below) to C-3-G ~~and C-3-S~~ parcels.
Height and Bulk	Varies.	No Change.	Establish a minimum. streetwall height of 65' on the north side of Mission and N/S streets ~~and minimum separations of 20' from adjacent structures above prevailing podium height~~. Require operable windows on all frontages above a height of 120'. For bulk exceptions in the C-3-G (Sec 272), require that 2~~3~~ out of 5 criteria for exceptions be met, including ~~(1) (2) and (3)~~, and at least one of (2) – (5).
Reuse of Historic Buildings	Provision for accessory uses up to 25% of GFA (Sec. 204.3).	Increase accessory uses from 25% to 100% of GFA.	Increase accessory provision for residential uses from 25% to 1/3 of GFA for historic or UM buildings in MMSUD. Planning Dept. may waive 80% lot coverage max. for rehab/change of use in historic or UM buildings. ~~Allow 100% of open space to be provided off-site through in-kind development (incl. street improvements that serve as usable open space) for rehab of historic or UM buildings that do not expand the building envelope.~~
Density	1 unit per 125 sf. of lot area; exceptions by CU pursuant to Sec. 303.	No Limit.	No Limit.
Rear Yard/ Exposure	25% rear yard required at residential levels. (Sec 134(a)). 309 process allows for exceptions.	Exempt projects from Sec. 134 and 140 requirements. 80% lot coverage min. at resid. levels and minimum separations of 15' from adjacent structures.	Exempt projects in the C-3-G from requirement for traditional rear yards and dwelling unit exposure (Sec. 134 and 140). Establish an 80% lot coverage max. at residential levels and require operable windows on all frontages above a height of 120'. ~~minimum separations of 20' from adjacent structures above prevailing podium height.~~ Planning Dept. may waive lot coverage max. for rehab/change of use in historic buildings.
Open Space	36sf/48 usable open space required per unit (Sec. 135(d)). Min 300sf and 15' min dimension. (Sec 135(g)). Min area 400sf, 20' horizontal dimension and 45-degree access angle for inner courts (Sec 135(g)).	Retain 36sf/48 usable open space requirement (Sec. 135(d)) and min. area requirement (Sec. 135(g)). Allow 100% of required open space to be provided off-site, within 450' of the project.	Retain existing 36/48sf open space requirement (Sec. 135(d)) and min. area requirement (Sec. 135(g)). Exempt projects in C-3-G from requirements for sun access to inner courts (Sec 135(g)(2)) For new construction, allow up to 40% of required open space to be provided off-site through in-kind development (including street improvements that provide usable open space). ~~Allow 100% of open space to be provided off-site through in-kind development (incl. streetimprovements that serve as usable open space) for rehab of historic or UM buildings that do not expand the building envelope.~~
Inclusionary Housing	12% on-site / 17% off-site inclusionary for all projects of 10 units or more that require a CU. BMRs exempt from max FAR calcs per Sec. 124(f) A interp. 10/04).		Exempt BMR units from basic FAR calculations, allowing a max FAR above 9:1 (Sec. 102.9, 124). 12% on-site / 17% off-site inclusionary for all projects of 10 units or more, regardless of whether a CU is required. Eight ~~Five~~ years after MM Plan adoption, increase to 15% on-site / 20% off-site.* Off-site to be located within the MM Plan boundaries. Rehabs/conversions permitted, provided they result in net new affordable residential units in the district. Allow 20~~15~~' of additional height for housing on sites with 120-130' heights in exchange for ~~+~~1.5% BMR units for each additional floor ~~+3% BMR units~~. Additional floors exempt from base FAR calcs. Upper story stepback equal to the additional height required on Market and Mission Streets; design subject to 309 review.

* Projects would be vested once a DBI site permit application is filed ~~issued~~. Site permits issued at the end of the initial 8~~7.5~~-year period would typically be valid for 18 months.

DRAFT: Subject To Change
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Mid-Market SUD: Proposal Summary
February 9, 2005
Underlined language is new; eliminated language is ~~struckthrough~~.

Floor Area Ratio	6:1 FAR limit in the C-3-G (Sec 124(a)); Up to 9:1 with TDR for historic properties. Housing affordable at 150% of AMI exempt from FAR calcs in the C-3-G (Sec. 124(f)).	FAR exemption for housing within the SUD; retain FAR limits for historic properties. FAR bonus concept for spaces devoted to A/C/E and ancillary uses; no specific proposal.	Retain TDR for historic properties and all other existing incentives. Allow purchase of "Arts Credits" for all uses up to max FAR. Price established based on economic assessment of market needs, including TDR market. Proceeds fund a dedicated MM Arts Grant Program to ~~provide improvements, subsidize rents, etc. for A/C/E uses.~~ Allow +1:0 addition to max FAR for sites zoned C-3-G / 160-M provided certain conditions are met. Provide an exemption for reduced residential parking for the first 5 years*: +.5 FAR bonus for .75 cars parked per unit +1 FAR for .5 cars parked per unit +2 FAR for 0 cars parked per unit
Residential Parking	Minimum parking requirement of .25:1 spaces per unit, up to .375:1 as-of-right; more by CU (Sec. 151). All spaces must be ind. accessible; minimum 160sf parking space size (Sec. 154).	No minimum. .375:1 as-of-right; CU up to a maximum of 1 space per unit. Parking unbundled from housing.	No minimum. Up to .375 cars per unit permitted by-right; up to 1 car per unit by CU. Space above-ground devoted to parking is limited to ~~15% of res. GFA (approx .5:1)~~ two floors, ~~up to a maximum height of 25' above~~ street grade. ~~design standards apply~~. Above-ground parking is required to be lined with active uses on all street frontages. ~~Active uses must have a minimum depth of 25' on the ground level and 15' on levels above.~~ to A PRACTICAL depth. EXCEPTIONS m be PERMITTED SUBJECT t 309 REVIEW. Underground parking exempt from FAR calculations. Parking unbundled from housing, off-site provision of accessory parking permitted by-right. No independent accessibility requirement; no minimum parking space size. Apply proposed carsharing language from Peskin Legislation ~~For projects > 100 units, carsharing orgs get right of first refusal to 2 spaces.~~
Public Parking	Requires CU.	Remove CU, est. new standards: - not above identified need - convenient walking distance - minimize congestion - short-term - carshare required	No change to existing planning code. Establish a TDM program to maximize efficient use of existing parking facilities and expand availability of short-term parking as the district grows.

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Minutes
Mid- Market PAC Meeting
March 9, 2005

Members Present: David Addington, Craig Adelman, Will Arnett, Patrick Banks, Katherine Bernitt, Mark Casagranda, Marty Cerles, Linda Corso, Carolyn Diamond, Kathleen Diohep, Sam Alicia Duke, John Elberling, Anthony Faber, David Hart, Tom Hart, Ralph Lee, Richard Livingston, Samuel Noily, Patrick Simms, Eric Tao, Badru Valani, David Wilbur, George Williams, Wayne Wong, Byron Yee

Members Absent: MaryEllen Churchill, Nerea Iturriotz, Lesley Pierce

Staff: Lisa Zayas-Chien

Welcome and Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: There were no announcements

Approval of PAC minutes: The minutes of the February meeting were approved.

Mid-Market Special Use District (Action Item): Marshall Foster of the Planning Department began with a brief over view of the March 9, 2005 draft of the Mid-Market Special Use District (SUD). He walked through this final product and highlighted the intent of the document which is to promote the development of a mix of uses in the Mid-Market area, including new housing, support the development of arts, cultural and entertainment uses and encourage the adaptive reuse of historic resources in the district.

The inclusionary housing requirement will use the City's 12/17% as a basis to be raised over the years. These units must be affordable for their lifetime. He noted that the parking section is more progressive than existing policies and the SUD relaxes the way parking can be done, i.e.: stacking, or valet. He also noted that the Planning Commission will review future development projects in this district. Projects receiving revenues from the Redevelopment Agency will have reviews from the Redevelopment Agency and Planning. Discussion followed with questions and answers:

Q. Samuel Noily: Where is the re-zoning of the parcels that was on the charts that were discussed in the Projects Meetings?

A. We intend to make the change. We have endorsed the chart that you are referring.

Q. David Wilbur: The car sharing section is this the same as Supervisor Peskin's legislation?
A. Yes, this is it verbatim.
Q. Wilbur: If this legislation changes will it change in the SUD?
A. Yes, it would have to be amended.
Q. Wilbur: Can there be 80% AMI on ownership if rental converts or when it converts to ownership. How do we do this?
A. It would be complicated from the point of the Planning Code. There would be legal questions.

Q. Linda Corso: If the project is rentals and then after ten years converts to condos what is the inclusionary rate?
A. We would have to investigate this.

Wilbur: This is an issue that may cause displacement.

Q. Who controls the open space requirements?
A. These are planning code requirements.

Q. What is the Plan putting towards Arts for the neighborhood?
A. "Arts credits" is a way to get funding for the Arts from the developers. There will be policy guidelines for "arts credits". Not all the details are flushed out yet. The goals include arts education and assistance for local artists within the existing geography. It can say or be set up for low income. This "arts credit" plan will bring in the money for the area. Arts organizations will advise the Agency.

Comments by Jeremy Nelson TLC* : On page 1 Sec 249.27- add the word "excellent". Revise to read ....in recognition of the district's excellent accessibility. There is surplus parking in this district. All parking should be below grade. Active uses depth should be increased to 25' for all floors. Active use requirements should include alleys. Don't limit the ceiling height to 16' because it precludes conversion to residential or commercial uses at a later date. We oppose 1:1 residential parking on site. There should be demonstrated need for any parking above 0.5.

Comment by Bob McCarthy: If the build out happens in this area there will be a certified parking deficit as noted in the MM EIR. Building below grade parking creates a 50 to 100% cost increase which then increases the cost of housing.

Foster: Alleys with 35' to 40' width would be under the same active ground floor requirements as public streets. Also, some of Rincon's requirements are the same as Mid-Market. .375 parking as principal use unless findings are made that will not have negative impacts, off-site parking, and no requirement for parking,

* For a copy of all written comments submitted by TLC contact PAC staff.

Comment by George Williams: Street Facing Use Requirements are inconsistent. Page 6 and Page 18 Sec. 145.4. He made a motion to make the two sections consistent.
George Williams' motion: Make the language on Page 6 (D) consistent with the language on Page 18 Sec. 145.4. Motion passed unanimously.

Craig Adelman asked for a motion to amend Section 167: Separating Parking Costs From Housing Costs in New Residential Buildings. This section states that off street parking spaces shall be leased or sold separately from the rental or purchase fees.
Craig Adelman's motion: To Section 167 add this sentence:
"In instances in which financing for affordable housing projects would be precluded this provision would not apply." Motion passed unanimously.

Comment by David Wilbur: I urge all to lobby the Supervisors against this SUD and Plan.

Comment by David Addington: If not for the SUD and the Plan there would be no development.

Next the discussion focused on Page 5 C Inclusionary Housing Requirements (7). There was discussion on the wording of this section. The question was raised that if the City's percentage of required inclusionary housing was raised how would this affect the MM SUD.
Comment by Bob McCarthy: If the City increases the percentage then the City will increase the percentage of the SUD requirement. This happens all the time.
Comment by John Elberling- Yes, Bob is right.
Comment by Richard Livingston: I had always hoped that as a result of this process this district would have a higher inclusionary rate than the City. I am disappointed that this district will not have more affordable housing than the City wide requirements.
Comment by Craig Adelman: I think the Plan will achieve higher levels of affordability than other areas of the City. We are talking about one specific component of the inclusionary requirement of market rate development and lets' not forget that the development of market rates will generate the tax increment that allows us to finance more affordable housing.
Comment by Eric Tao: Need a motion to amend this section for clarification.
A motion was put forward:
Eric Tao's motion: Page 5 C7 delete the word minimum 2 times. Add new phrase. The first sentence of C(7) shall read: " Eight years after the adoption of the Mid-Market Redevelopment Plan pursuant to Ordinance xxx-xx, the inclusionary housing requirements described n Section 315 shall be increased by 3 percentage points from 12 percent on-site to 15 percent on-site and from 17 percent off-site to 20 percent off-site provided in no event will percentages be less than the City wide minimum per section 315. Motion passed 19 Yes - 4 No

Chair Yee called for any further discussion. Then the following motion was made:
Motion: Approve the Mid-Market Special Use District as amended.
Motion passed 23 yes – 2 No

Mid-Market Redevelopment Plan (Action Item) Lisa Zayas-Chien distributed the new language to implement PAC Goal A1 which is the preservation of the number of affordably priced housing units noted at 1,212 that existed in the Project Area at the time of adoption of the Mid-Market Redevelopment Survey Area. This was the PAC's request and she now had the legal language in the Plan and some clean up language. She referred the group to the new language on pages 30 and 31, Sections 4.10.4 (Affordable Housing Production) and 4.10.5 (Affordable Housing Preservation)

The discussion moved to the Plan - page 41. This draft of the Plan struck the last sentence that discouraged the reinstallation of street furniture. There was discussion over the pros and cons of striking this sentence but it was decided leave it out. There was no motion to put this sentence back in this section. Then the discussion turned to amending the first sentence and noting that the public safety should be acknowledged. There was a motion on this.
Samuel Noily's Motion: Page 41 B2 Streetscape Improvements. First sentence should read: Development and implementation of streetscape plans in coordination with the Department of Public Works and community stakeholders as a consideration of public safety. The motion passed unanimously.

Next, Rich Hillis of the Mayor's Office of Business and Economic Development distributed a proposal called "Trinity Plaza Revisions to the MM Redevelopment Plan". Supervisor Chris Daly has been working with the residents of Trinity Plaza and negotiating a development agreement with the project sponsor. This development agreement allows for entitlements to build the project and amends the SUD. The development agreement proposed will preserve rent controlled units and comply with the City's below market rate percentages.
The process to approve the development agreement will go through the Planning Commission and the Board of Supervisors. The amendments to the MM SUD will allow the process to continue. The amendments are in the following Plan Sections:
3.1 General Controls and Limitations, 3.2 Land Use, Zoning, Height/Bulk, 3.5 Design Guidelines, 3.6 Administration of Development Controls and 4.10.5 Affordable Housing Participation Policy.
George Williams: Why do the Design Guidelines have to be suspended? Why do we have to cede any authority over the largest project in this area without knowing what is going to be put in the development agreement?
Hillis: You don't have to cede all the authority.
John Elbering: This site is unique. In all the discussion of design controls this site was not the one that any one was thinking about. It is so big I don't think you should assume that the SUD controls we just did are the right answer for this very large project. It's going to have to go through an EIR , amend the Planning Code and go through a hideous process to get approved anyway and we will have plenty of chances to have at it.
Williams: What is the role of this committee in determining what goes into the development agreement?
Elberling: We will put it on our agenda.
Hillis: The development controls will be subject to the requirements in the SUD.

Williams: It doesn't say that. It says they will only be subject to design requirements contained in the development agreement. What are the design controls in the development agreement? What role does this committee have in determining what they are?

Elberling: Nobody knows yet. We just deal with it when it comes up.

Williams: If the development agreement is negotiated behind closed doors then what emerges is fait accompli. It should be subject to the SUD and then modified.

Jim Reuben: You know that this project has been completely stalled. We solved the political problem by virtue of the development agreement to get the City involved. Until today we were going to get out of the Redevelopment Agency jurisdiction entirely. We compromised and agreed to keep this project in the Redevelopment Project Area for purposes of increment and meeting your goals for BMR and subsidized housing but other wise not subject to oversight of the Redevelopment Agency but rather the Planning Dept. and the Board of Supervisors. Your design guidelines are not going to work for a four acre project. It is an incredibly transparent public process to go through this development agreement ordinance. There will be hearings at the Planning Commission and the Board of Supervisors. This will not be done under the cover of darkness.

Williams: This committee spent months and months going over design controls that would apply to this project. John Sanger spent six months negotiating language, a lot of which is now in the SUD intended to apply to Trinity. The purpose of the development agreement is simply to lock into this project rent control which otherwise would not be applied. It was not to exempt Trinity from the laborious effort we put into design controls. Giving you a blank slate is inappropriate.

Walter Schmidt: Trinity Properties. Angelo Sangiacomo is excited to build this project. But, he has made it perfectly clear that if he has to follow another set of controls he is not going to build.

Rueben: What we have come to you with is a pretty good compromise worked out with Rich Hillis. We stay in the Project Area for purposes of increment, and BMR units are counted to meet the Project's goals. But we are not subject to oversight of the Redevelopment Agency or the SUD. We are negotiating directly with Planning Dept and the Planning Commission and frankly with the Board of Supervisors.

Williams makes the following motion to amend the Trinity Plaza Revisions to the MM Redevelopment Plan document:
George Williams' Motion: 3.5 Design Guidelines. Change the last part of the last sentence to read: ....<u>the development of 1400 or more dwelling units shall be subject to design requirements in the Mid-Market Special Use District except as modified in the development agreement</u>. Yes 22 – No 1
Comment: Regarding the SF Mart: The project representatives are working hard on delegation agreements for a large development at the SF Mart. The PAC will continue to be informed on the progress.

Then a motion is made regarding the Trinity proposal.
Motion: Approve Trinity Plaza Revisions to the MM Redevelopment Plan with the amendment and include in the related plan documents. Yes 22 – No 1.

Zayas-Chien comments that the amendment which was just made will make stronger affordability controls on the Plan. Approximately 60% of medium income of affordability would be the maximum. The district Supervisor will be meeting with Trinity to talk about special agreements for affordability at Trinity.

Comments on the Plan continue. Jeremy Nelson of TLC makes several comments.* These comments are discussed and there is a motion to amend B5 Page 41.

Samuel Noily's Motion: Page 41 B5 Pedestrian Connections Between Market and Mission Streets. Second sentence should read: This should include an analysis of the potential to increase sidewalk widths along numbered cross streets, with consideration to the impact of lanes of traffic and parking. Yes 22 – No 1

A PAC guest comments that she would like to see a revision of Page 7 – A2.

Motion: Page 7 A2. Remove the word "several" before non-profit service providers.... Yes 23 - No 0

John Elberling's Motion: Chapter 7 -Page 45 Transportation and Parking F1. Repeat this section (F1) in Section 1.7 Related Plan Documents where appropriate. Yes 23 – No 0

Comment from PAC guest: What about jobs? The residents of the neighborhood should get jobs in the Mid-Market area.
Zayas-Chien: I have workforce models that we use at the Agency. I can share these with you. Our Mid-Market Plan does promote greater job opportunities for Project Area residents by supporting partnerships with area employers and community-serving employment groups.

Comment from PAC guest: I would like to see early childhood development programs and a middle school.
Craig Adelman: Redevelopment does not do social services; we do not have solutions to some of these problems. We will create an environment where your goals will thrive, nothing though will say that we will build a child care center. We will improve the area.

There were no further comments. A motion was then called.

Patrick Banks' Motion: Move that we approve the Mid-Market Redevelopment Plan as amended. Yes 21 No 2

There were no Agency or PAC reports. There was no public comment. The meeting was adjourned.

* For a copy of TLC's comments contact PAC staff

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Mid-Market
Project Area Committee Meeting
Wednesday, April 13, 2005
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

I.	**Welcome and Introductions**	
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)**	**(10 Min.)**
IV.	**Episcopal Community Services of SF** **Presentation of the proposed 275 10th Street Supportive Housing project**	**(20 Min.)**
V.	**Mid-Market Redevelopment Plan & Mid-Market Special Use District** **Review and discuss comments on the MM Redevelopment Plan and SUD (Action Item)** **(Representative from Supervisor Daly's Office – Tentative)**	**(70 Min)**
VI.	**Agency Staff Report**	**(5 Min.)**
VII.	**PAC Staff Report**	**(5 Min.)**
VIII.	**Public Comment**	**(5 Min.)**

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George Williams
Wayne Wong

Minutes
Mid-Market Regular PAC Meeting
April 13, 2005

Members Present: David Addington, Katherine Bernitt, Marty Cerles, Linda Corso, Carolyn Diamond, Kathleen Diohep, Sam Alicia Duke, Anthony Faber, David Hart, Tom Hart, Nerea Iturriotz, Richard Livingston, Samuel Noily, Lesley Pierce, Badru Valani, David Wilbur, Byron Yee

Members Absent: Craig Adelman, Will Arnett, Patrick Banks, Mark Casagranda, Mary Ellen Churchill, John Elberling, Ralph Lee, Patrick Simms, Eric Tao, George Williams, Wayne Wong

Staff: Lisa Zayas-Chien

Welcome & Introductions: Chair Yee welcomed the group and asked for self-introductions.

PAC Announcements: Chair Yee announced he and some PAC members had met with Mr. Wade Crowfoot, the Mayor's liaison to the Board of Supervisors. At the meeting Mr. Crowfoot said he would coordinate efforts with the PAC to arrange meetings with the members of the Board to present the MM Plan and SUD.

Approval of PAC Minutes: PAC guest Michael Nulty remarked at the March PAC meeting there was discussion of considering pedestrian safety issues in the MM Plan. The Mid-Market area has a high volume of pedestrian injuries, especially from 5th Street to Van Ness Ave. This discussion was not mentioned in the March minutes. He asked that the minutes be amended to reflect this point. PAC member Richard Livingston requested that the roll call on the motions voted on at the meeting be included in the minutes. (This role call is attached)
The amended minutes of the March PAC meeting were approved.

Episcopal Community Services Presentation of 275 10th Street: Mr. Ken Reggio, Executive Director of Episcopal Community Services began this presentation. He gave a brief history of Episcopal Community Services (ECS) and their work in this community. The organization is a public

benefit corporation that assists homeless, formerly homeless and very low income individuals with housing. The organization goes beyond shelter and includes supportive housing which is "key to making a difference". Two of their newest projects are Canon Kip, which provides supportive housing for formerly homeless single adults, and Canon Barcus, which provides supportive housing for formerly homeless families, are located in South of Market area.

Joseph Smooke, Housing Director for the Bernal Heights Neighborhood Center and development consultant for the newest project of ECS spoke next.
He noted that this new proposed project will be located at 275 10th Street. Once again it is a supportive housing project which will serve homeless single adults. This proposed development will include approximately 134 single-room occupancy apartments in a five-story building. He stated that community input is very important on these projects and already a South of Market community group has asked that the entrances of this new project be moved to 10th Street, a design change that has been implemented. Financing of these projects is complicated and in the past they have worked with SF Redevelopment Agency and the Mayor's Office of Housing.

The timing of this project is that construction will begin in the Fall of 2006 and the opening will be in 2008. They are continuing the preliminary design work and will hold design workshops with the community.

Questions and answers followed:
Q. What is the average rent?
A. It is 30% of your income

Q. Is this project similar to Canon Kip?
A. Yes, but there are some differences including 100% private baths and each room has a microwave, small refrigerator and two burner stoves. There will be a community kitchen and living room like Cannon Kip.

Q. Will there be a chef's training program?
A. We expect to have this or at least the educational part at the new site which will include literacy classes and GED preparation.

Q. What were some other comments from the South of Market leadership Council?
A. There were concerned on the impact on their businesses during construction. Overall they were generally welcoming; we are not new to the neighborhood.

Q. Is there a way to turn people out so it doesn't become a "final resting place"?
A. Yes, some people will move forward, pursue their education. But is permanent as long as they pay their rent.

Q. Who will manage your community room?
A. Caritas Management. There will also be 5 case managers and a 24 hr. desk clerk.

Q. Will they be "tenant wise"? There are always problems in these buildings.

People congregate outside and smoke and maybe do drugs. Nearby residents complain, there are 911 calls, emergency vehicles and sirens because of what is going on there.
A. There are intake managers who interview and screen people. Congregating should not be a problem because the design of the 10th Street building the congregation area is set back.

Comment: Security cameras are needed, a desk clerk is not enough.
A. We have cameras at all our sites. Also, one advantage of a new property is that you can build in security.

Q. What is the sq. ft. of each unit?
A. All singles are 350 sq. ft.

That ended the presentation. Chair Yee thanked the presenters.

Mid-Market Redevelopment Plan and SUD. Review & Discuss Comments on the MM Redevelopment Plan and SUD: Lisa Zayas-Chien began by saying she had received comments concerning transportation and inclusionary housing percents. The four main points were concern and opposition to:
1. Allowing 1:1 parking through a conditional use
2. The idea of building a parking garage
3. Allowing up to three stories above ground parking
4. A 12% inclusionary requirement

She also noted that she and some PAC members had a meeting with Supervisor Chris Daly who indicated that he wants a higher inclusionary percent. He said he would have a counter proposal.

Byron Yee noted that we had requested Daly's office to deliver a counter proposal before tonight's meeting so there could be some discussion on the proposal. However, Daly's office stated that a counter proposal would be offered sometime in May. Therefore, there was no need to address this issue now.

Sam Alicia Duke suggested we contact Jason Chan of the Mayor's Office and liaison to District 6 and perhaps he could gather information for us.

Zayas-Chien said there have been some other comments from the Arts community and there seems to be concern regarding displacement. She asked PAC member Kathleen Diohep to explain since Diohep has been working with some of the arts groups. Diohep said that one of the concerns of the arts community was with the "arts credit" fund. They want to know what it is and when it will be real. There are no guidelines and this causes concern. Another concern of especially one arts person, who owns a building in Mid-Market, is that the building may be subject to eminent domain proceedings. These small

"funky" buildings that are most accessible to smaller groups are most likely to have eminent domain. The arts are used to improve an area and then they are booted out once the neighborhood improves. The Arts Task Force is a good group of people to use to get the range of needs and pieces together.

Diehop also noted that the SUD says all money in the arts credits goes to arts and capital improvements. There needs to be some administration money there. That is not there now and someone has to get this money in and out the door. As written in the SUD alone this administration cannot come out of the arts fund.

David Wilbur asked what are the eminent domain guidelines and why is the arts community concerned? Zayas-Chien referred to the Plan for guidelines and also noted that a process had to be completed before eminent domain can even begin. Sam Noily stated he thought the idea of this fund was to help, perhaps do seismic work. Diohep said she was trying to convince the arts people of this and Lisa will also try to convince them that eminent domain is unlikely. Diohep said that it would be helpful to have a ballpark figure or estimate of what this fund would be.

Marshall Foster then addressed Diohep's concern about administrative money from the arts fund. He said he did not think it was a problem to get a percent of administrative money from the fund or through a City agency. There is a nine month window to put this fund together after Plan approval.

Diohep asked if in the next few weeks it could be determined the potential FAR that could be creditable and have a range of how much and the price. Also what the assumption of sq. ft. would be.

Zayas-Chien asked if there were other comments.

Richard Livingston returned to the arts concerns and said he assumed that the Luggage Store building on Market Street was the one that was concerned that her building fits into a category of sites for eminent domain. He said staff should talk to them.

Samuel Noily asked about allowing the arts group building to sell arts credits, even though they are not a historical building but they house arts. If they don't have enough money to seismic etc. can they sell arts credits? They can get the money and fix the building.

Diohep said this fund will not be the only source of funding for arts. There will have to be philanthropy and grants plus arts credits.

Zayas-Chien stated that since the arts credits fund is through the Planning Dept it has more flexibility.

Marshall Foster of the Planning Dept. then reminded the group that there was a hearing at the Planning Commission tomorrow, April 14th. This hearing is to adopt a motion of intent to initiate amendments to the Planning Code. He explained that this vote starts a 20 day process of official public review. Then there is an option of calendaring this item.

Public comment is taken at tomorrow's hearing yet it is within the confines of approving or disapproving the initiation process. Public comment is not taken on the contents of the document.

David Addington asked Marshall about the language in the SUD regarding parking. "I would like to mention something about the new language about parking. We had a discussion at the Projects meeting on Monday. There is some language that escaped my attention but is part of the new document which further limits and further requires parking to be limited to a single car not a single space. Although that language has been present for some time there was some misunderstanding among the group as to what the intentions were. Some of the other developers thought the idea was to limit the number of spaces thereby encouraging people to use technological improvements to maximize the cars if necessary. Planning Dept. has, and Marshal tell me if this is not correct, Planning wants to make sure we limit it to a single car regardless of the technology , one car per unit and each car needs to fit into a space. How big is the space?" Marshall responded 185 sq ft.
David continued, "185 sq ft. For the required parking to be limited to one car, not one space is an additional restriction to developers; it is not like this in other areas of the City."
Samuel Noily said, "I remember when I asked specifically if it is car or space. I was told it was space.

Marshall responded that no change has been proposed in the language that is going to the Planning Commission. What Planning has been looking at is the number of cars parked, not the number of spaces. When the Environmental Review looked at traffic impacts, when we looked at the impact of development, it does not matter the number of spaces or stripes in your parking garage, it matters how many cars are parked there, that is the issue. So we are basically bringing our policy in line with that. I think we have been very up-front with the PAC since we started in June about what the policy was. I understand that this is a nuance and it one of those technical things and I apologize if there has been any confusion. I want to be clear that we are not changing any aspect of the proposal at this time. If you look at the documents going back to the beginning we have been very consistent in terms of discussion of cars parked.

Bob McCarthy asked if this was a change in City policy.
Marshall responded Yes.

McCarthy: I think Samuel is correct in his recollection that we all understood that we talked about parking one to one, .375, whatever the number was, we were all speaking in the vocabulary that we had all come to realize. I at least recall, and I think that Carolyn Diamond would agree with this after our Projects Meeting, we actually had more than one conversation about the notion whether stacking was proven technology and we talked about the fact that if you allowed us to maximize the garage space by using stacking, valets etc. that it would give you an opportunity to convince other

developers who would come after us that this is a proven technology. The thing to incentivize us to spend the money to use stacking, is not as you suggest, using less space, but it is our understanding that we would make the extra expenditure so we could maximize our garage space by perhaps turning one garage space into two. I think this is honestly what the PAC understood.

Tom Hart: If a project would go forward on a conditional use basis to be approved, are those striped parking spaces on a one to one basis, is it a striped space, or is this going to force an owner to go to a valet operation?

Marshall: It is not going to force a change in the way you provide your parking. A plan checker when looking at your project will be interested in how many cars your scheme can park as opposed to how many spaces

Hart: The striped spaces plus any stackers that someone is going to have?

Marshall: Right. The understanding that we have always had is that magic number of one to one. The way the proposal works is that you can do one to one but you have all these options of how you get there. What it does not allow, and I want to be really explicit about this, is for you to put in one to one in independent accessible spaces and then add stackers to get to 1 and a half to one or two to one. Be clear that the City is trying to avoid that scenario. If you want to get to one to one independent and not put in any stackers is fine. We are hoping that the space efficiency is valuable to the development community, they will see that.

Byron Yee commented that there are items on the adoption schedule that are public hearings and that the PAC should attempt to get to the hearings. It is a good show of support for the Plan if the PAC members are at the hearings.

Lisa Zayas-Chien noted that the Redevelopment Agency's hearings are at 4:00, City Planning hearings are at 1:30 and the Board of Supervisors meets at 2:00. She also reminded the group that the Agency will have a budget hearing on April 19th, it is the full Agency's budget not just for Mid-Market.

Staff Report: Zayas- Chien reported that she is working on background documents and that our monthly meetings will continue. She encouraged all to attend the May 3rd Redevelopment workshop, this is an informational workshop on Mid-Market and would appreciate PAC members to be there if possible.

To fulfill a legal requirement of Redevelopment Law, starting this Saturday there will be four consecutive Saturday ads in the Chronicle noticing the Mid-Market Project.

PAC Staff Report: Carolyn Diamond asked all PAC members to fill out their 700 form and return to the Agency.

Public Comment: There was no public comment.

The meeting was adjourned.

Roll Call Vote	Date:3-9-05 Amend the SUD Section 167 add "in instances in which financing for affordable housing projects would be precluded this provision would not apply"	Date:3-9-05 Approve the Mid-Market Special Use District as amended.	Date:3-9-05 Approve the Mid-Market Redevelopment Plan as amended.	Date:
1. David Addington Commercial Prop. Owner	y	y	y	
2. Craig Adelman Community Development-CBO	y	y	y	
3. Will Arnett Commercial Prop. Owner	y	y	y	
4. Patrick Banks Commercial Prop. Owner	y	y	y	
5. Katherine Bernitt Residential Tenant	y	y	y	
6. Mark Casagranda Commercial Prop. Owner	y	y	y	
7. Marty Cerles Commercial Prop. Owner	y	y	y	
8. MaryEllen Churchill Commercial Tenant				
9. Linda Corso Commercial Tenant	y	y	y	
10. Carolyn Diamond Business Association-CBO	y	y	y	
11. Kathleen Diohep Commercial Tenant	y	y	y	
12. Sam Alicia Duke Social Service Org.- CBO	y	y		
13. John Elberling Business Serving Civic Org.- CBO	y	y	y	
14. Anthony Faber Residential Tenant	y	y	y	
15. David Hart Residential Tenant	y	y	y	
16. Tom Hart Commercial Prop. Owner	y	y	y	
17. Nerea Iturriotz Residential Tenant				
18. Ralph Lee Commercial Prop. Owner		y	y	

19. Richard Livingston Arts and Cultural Org.	y	n	n	
20. Samuel Noily Commercial Prop. Owner	y	y	y	
21. Lesley Pierce Arts and Cultural Org.				
22. Patrick Simms Residential Tenant	y	y	y	
23. Eric Tao Commercial Prop. Owner	y	y		
24. Badru Valani Commercial Prop. Owner	y	y	y	
25. David Wilbur Commercial Tenant	y	n	n	
26. George Williams Business Serving Civic Org.	y	y	y	
27. Wayne Wong Commercial Tenant	y	y	y	
28. Byron Yee Business Assoc.-CBO	y	y	y	
Quorum 15				

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Vice-Chair
Carolyn Diamond

David Addington
Craig Adelman
Will Arnett
Patrick Banks
Katherine Bernitt
Mark Casagranda
Marty Cerles
MaryEllen Churchill
Linda Corso
Kathleen Diohep
Sam Alicia Duke
John Elberling
Anthony Faber
David Hart
Tom Hart
Nerea Iturriotz
Ralph Lee
Richard Livingston
Samuel Noily
Lesley Pierce
Patrick Simms
Eric Tao
Badru Valani
David Wilbur
George Williams
Wayne Wong

Mid-Market
Project Area Committee Meeting
Wednesday, May 11, 2005
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

I.	**Welcome and Introductions**	
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)** **Election of new PAC member (Action Item)**	**(15 Min.)**
IV.	**Mid-Market Redevelopment Plan &** **Mid-Market Special Use District** **Review and discuss comments on the** **MM Redevelopment Plan and SUD (Action Item)**	**(70 Min)**
V.	**Agency Staff Report** **Renewal of Market Street Association PAC staff contract** **(Action Item)**	**(20 Min.)**
VI.	**PAC Staff Report**	**(5 Min.)**
VII.	**Public Comment**	**(5 Min.)**

Please turn off cell phones during the meeting.

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amuel Noily
esley Pierce
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Vayne Wong

Mid-Market PAC Minutes
Regular Meeting
May 11, 2005

Members present: David Addington, Craig Adelman, Katherine Bernitt, Marty Cerles, Linda Corso, Carolyn Diamond, Kathleen Diohep, Sam Alicia Duke, Anthony Faver, David Hart, Tom Hart, Ralph Lee, Samuel Noily, Lesley Pierce,
Byron Yee

Members absent: Will Arnett, Patrick Banks, Mark Casagranda, MaryEllenChurchill, John Elberling, Nerea Iturriotz, Richard Livingston, Patrick Simms, Eric Tao, Badru Valani, David Wilbur, George Williams, Wayne Wong

Agency Staff: Lisa Zayas-Chien

Welcome & Introduction: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: Carolyn Diamond reminded the group that Beyond Chron was sponsoring a forum on May 12 at CounterPULSE, 1310 Mission Street at Noon. The forum is titled "Reclaiming Redevelopment: A Progressive Plan to Take Back Mid-Market".
Marshall Foster reminded the group that Mid-Market was scheduled at the Planning Commission on May 19th. The item is for the Planning Commissioners to approve the Preliminary Plan Amendment, General Plan Consistency Findings and Environment Findings for Mid-Market.

Approval of PAC minutes: Michael Nulty asked for a change in the April 2005 minutes. He asked that the minutes reflect the following in the question and answer segment of the presentation of Episcopal Community Service's project at 275 10th Street. Q. Who will manage your facility? A. Caritas management, there will also be 5 case managers and a 24 hr. desk clerk.
Q. Will your community room be open to the public? A. No
The minutes were approved with this amendment.

Election of new PAC member: Chair Yee introduced Mr. Jerry Jarvis, a resident of Mid-Market. Mr. Jarvis made a brief statement telling the group

that he has lived in the area since 1998. He wants to be part of his community and wants to work with people who are working in the community. Mr. Jarvis was elected unanimously to a seat as a Residential Tenant.

Mid-Market Plan and Special Use District: Lisa Zayas-Chien began by distributing a new schedule for plan adoption. She discussed the Planning Commission hearing of April 14th.She noted that members of the public expressed concerns with the SUD to the Commissioners. Then Marshall Foster spoke and briefly described the scenario at the Commission hearing. He noted that the Commissioners asked that at least two meetings be held before they move forward. The issues expressed at the hearing were concentrated on housing affordability, parking, garages and above grade parking. The Commissioners want to hear back from Planning staff.

Questions were asked by PAC members:

Marty Cerles: Parking & housing. Does this mean they will not support all the years of work we did?
A. They wanted to understand better what SFRA housing issues are. They want options.

Cerles: Who will be talking for the PAC?
A. It is up to you, we as staff will recommend. At the hearing we were not able to present the Plan in depth. The hearing was only for initiation of the Plan. For all hearings we have to have PAC members attend. PAC members need to be present and give your point of view. Other complaints at the hearing were that the process was done behind closed doors. PAC members need to come out and say that it has been an open process.

Sam Noily: Marshall, is the Planning Commission looking at any other proposals for requirements for higher inclusionary downtown.
Foster: No, no larger proposal at this time.

Craig Adelman: This is about politics not policy. The best response is that we are a unified PAC, it has been a collaborative effort over a long period of time. There are folks out there that will not get on board. They will raise issues that are either untrue or not feasible.

David Addington: How do we counter this?

Adelman: We must get our Supervisor on board and Planning Commissioners.

Linda Corso: We need a letter to outline the truth in how the PAC was formed and what community outreach was done.

Noily: Jose and Redevelopment staff have been having meetings for a long time, community meetings have been going on for 11 years.

Roger Gordon: Basically you need a PR campaign. The PAC needs to address this immediately. List all PAC members, be responsive, make sure everyone who has ever been here is out there.

Kathleen Diehop: Some conversations have been technical. We should be able to explain it all. Some people have been to a meeting and said it is too technical. It has been technical – not back room.

David Hart: Should we call Commissioners individually?
Zayas-Chien: Some PAC members have met with Wade Crowfoot, the liaison to the Board of Supervisors. Crowfoot will advise how to deal with Supervisors.

Tom Hart: Do we go to the Planning Commissioners next?

Zayas-Chien: Yes

Jeremy Nelson: It is a mistake to write this off as politics. Don't rely on community meetings. The SUD was not done yet. Address the issues now.

Adelman: A committee is needed to strategize how to address this.

Yee: If anyone is interested in a "sub-committee" e-mail staff and let them know you want to be on this committee.

Diohep: The "Futures" document is a good document which will help address some of these issues.

Zayas-Chien: I will work to try to get the "Futures" document out. I have to make a choice of working on the legal documents and the "Futures" document.

Noily: We need a committee to talk to Marcia and require that MM has some staff when you are on leave.

Zayas-Chien: I think we talked about this, there will be a replacement for me, he will try to be here for the next meeting.

CJ Higley: I want to respond to Jeremy's comment. This body has grappled with the issues, this Plan has been not been rammed down their throats which is what the opposition says. This is a misconception. The process has happened but no one got everything.

Noily: Jeremy is a good example. A lot of your input has been put into the Plan.

Michael Nulty: I represent three different community groups and I have been coming here for the past five years.

Jeremy Nelson: The community wants to weigh in now that the Plan is done. Is a public process a community process?

Chair Yee wrapped up this discussion and reminded the group that MM will be making a presentation to the South of Market PAC on Monday at 6:00 pm. He invited all to attend. He also noted that there will be a Projects Meeting on Monday from 4:00 to 5:30 pm.
Agency Staff Report: Lisa Zayas-Chien began her report by distributing a five page document titled: **Rules Governing Participation by Property Owners and the Extension of Reasonable Preferences to Business Occupants in the Mid-Market Redevelopment Project.** She directed the group to Page 3 – Section 5.0 Conforming Owners.

She noted that language regarding Conforming Owners was removed from the MM Plan because some owners expressed concern that banks or lending institutions may note this section and then require owners to produce documents or letters that proved owners were in conformance.

After consulting with the Agency's legal dept. it was noted the Calif. Redevelopment Law required that property owners know their rights and that the language in this section needed to be available. This Section will stay in this document. Zayas-Chien told the group to call her if there were other questions or comments on this issue.

Kathleen Diohep commented that she had a question regarding the SUD. At the last meeting she had asked Marshall Foster of the Planning Dept. to determine if the Arts Credits program had funding for administration and also how much square footage would be creditable under the Plan. Unfortunately Foster had to leave this meeting and she still does not have answers to her questions.

Zayas-Chien responded that Diohep could call Foster or she would talk to him about these questions.

Next Roger Gordon asked about economic development funds and if there are any available not based on tax increment? Also can capital dollars for economic development become available prior to Plan adoption?

Zayas-Chien: These expenditures would have to go through an RFP process and right now we are just working towards Plan adoption. Funds there are ear marked for arts and economic development.

Gordon: Are you saying wait until after August 20th?

Zayas-Chien: Yes, because without a Plan it is hard to implement.

Next Zayas-Chien introduced the item regarding the extension of the PAC administrative contract with the Agency. She explained that the Market Street Association's administration contract would end on June 30th and the Agency Commissioners will be asked to approve a contract extension. She noted that PAC staff person Lynn Valente had taken on a more visible role in community outreach by regular attendance at various community group meetings.
Marty Cerles: Is the amount of the contract the same as last year?

Zayas-Chien: Yes, it is the same amount, $80,000.00.

Linda Corso: Are we just being asked to approve the extension?

Zayas-Chien: Yes.

Chair Yee called for a motion to approve the extension the PAC administration contract. The motion was seconded and the vote to approve was unanimous.
PAC member Carolyn Diamond abstained.

Next Zayas-Chien discussed scheduling. She distributed a new schedule outlining the steps to Plan approval. She noted we are on a tight schedule and if we don't make one date then it will have a domino effect on the rest of the schedule. The Planning Commission must take action before the Agency Commission moves forward. On May 19th the Planning Commission will be asked to approve General Plan Consistency and after this finding the Agency can move forward toward MM approval. Diohep asked if there can be a broader discussion at the Planning Commission hearing. Zayas-Chien said that sometimes the Commission takes on a life of its own but there will be more opportunities for larger, broader discussions. Zayas-Chien said she expected PAC members to attend the May 19th Planning Commission hearing to support the General Plan findings.

PAC Staff Report: There was no formal staff report. PAC staff thanked the group for there vote to extend the administrative contract.

Public Comment: Michael Nulty announced two special events: Reclaiming redevelopment public meeting and Residents for a North of Market Community Benefit District fund raiser.

The meeting then adjourned.

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Mid-Market
Project Area Committee Meeting
Wednesday, June 8, 2005
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

I.	**Welcome and Introductions**	
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)** **Election of new PAC member (Action Item)**	**(15 Min.)**
IV.	**Mid-Market Redevelopment Plan &** **Mid-Market Special Use District** **Discussion of community comments and reaction to the MM Redevelopment Plan and SUD (Action Item)**	**(70 Min)**
	(SEE COALITION TO TAKE BACK MID-MARKET DOCUMENT)	
V.	**Agency Staff Report**	**(20 Min.)**
VI.	**PAC Staff Report**	**(5 Min.)**
VII.	**Public Comment**	**(5 Min.)**

Please Note: There are openings on the Mid-Market PAC in the Residential Tenant category.

Please turn off cell phones during the meeting.

Coalition to Take Back Mid-Market

We, the Mid-Market community, particularly the low-income and working class residents who primarily live here, feel we have not been a part of the planning process in developing a Redevelopment Area and Special Use District for our neighborhood. Because the process has been dominated by organized economic interests, the plan does not reflect our needs and desires. Should the plan and SUD go through as it stands now, we fear that a great deal of displacement, gentrification, and cultural homogenization will occur. In addition, we believe a great deal of city and private money will be spent in Mid-Market on housing, art, facilities and transportation that will not really serve us and will replace the existing retail, arts and cultural services that do.

With that in mind, we demand the following changes in the plan and SUD.

HOUSING

Median income of Tenderloin and SOMA is less than $30,000 per year

*The required percentage of inclusionary housing should be raised from 12 percent to 15 percent on projects of under 20 units, to 20 percent on projects of 20-75 units, to 25 percent to projects of 76-125 units, to 30 percent for projects between 126-250 units and 35 percent for all projects above 250 units.

*75 percent of inclusionary housing should be rental housing and earmarked for those making 40 percent AMI, including some housing earmarked for families, seniors and disabled adults

*Inclusionary ownership units should be earmarked for those making 60 percent AMI

*Renovated Residential Units do not count as "net new affordable units" in the district

ARTS

Important community arts centers already exist in Mid-Market

*Developers should be required to contribute to the arts as a condition of development

*A guaranteed source of long-term funding for the arts should be designated

*A certain amount of retail space should be designated for arts, cultural and entertainment uses in all new development

*Community-based, affordable arts, cultural and entertainment uses should get top priority for funding and space, especially those locations already in the community

*All current theatres in the Area must be preserved as well as art and cultural facilities.

***AWAITING FURTHER COMMENT FROM ARTS COMMUNITY**

TRANSPORTATION

The Mid-Market neighborhood has some of the lowest rates of car ownership in the City, yet some of the highest rates of injury and death by automobile, and some of the best pedestrian, bike, and transit access in the City.

*By right, only approximately 1 parking space for every 3 housing units should be allowed, and for conditional use, no more than 1 parking space for every two units should be allowed

*We oppose another short-term parking garage in the area

*We oppose allowing 3 stories of above-grade parking in this area - all parking in this area should be below-grade

*Upgrades should be made to improve bicycle and pedestrian safety. Funding should be earmarked towards bike lanes in the Mid-Market area and count down pedestrian cross walk signals.

*A community-based transportation plan should be developed

*There should be no replacement of surface parking in future development

*Mass transit should be increased to the area

*Some tax-increment funding should go towards amenities for transit riders, including more shelters, lighting and Next Bus notifiers.

JOBS AND COMMUNITY FACILITIES

Community residents should be the primary beneficiaries of improvements to their neighborhood due to redevelopment. Any plan should not repeat the previous displacement of neighborhood serving businesses due to major "improvement" projects such as Western Addition Redevelopment or the Third Street Light Rail corridor, and should take major steps towards preventing future displacement.

*Mid-Market residents should be given top priority for jobs created in their community

*Job-training facilities should be built and operated to serve the community

*Money should be allocated from Mid-Market taxation towards existing schools and social services

*Relocation services for displaced local businesses should exist

*If many new residents are to be added, requirements should be made that corresponding facilities be added, including schools, playgrounds, grocery stores, and other uses that benefit and is affordable to the Mid-Market community

REPRESENTATION

The Mid-Market Redevelopment Area will have a major effect on North and South of Market residents

*The Mid-Market PAC should be reformed to include more seats for tenants in the community, especially tenants from the North of Market and South of Market communities.

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Minutes
Mid-Market Regular PAC Meeting
June 8, 2005

Members Present: Craig Adelman, Patrick Banks, Katherine Bernitt, Marty Cerles, Linda Corso, Carolyn Diamond, Kathleen Diohep, Sam Alicia Duke, John Elberling, Anthony Faber, David Hart, Ralph Lee, Richard Livingston, Samuel Noily, Patrick Simms, Eric Tao, David Wilbur, George Williams, Byron Yee

Members Absent: David Addington, Mark Casagranda, MaryEllen Churchill, Tom Hart, Nerea Iturriotz, Badru Valani, Wayne Wong

Agency Staff: Lisa Zayas-Chien, Mike Grisso

Welcome and Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: Chair Yee announced that Residential Tenant Jerry Jarvis resigned his seat on the PAC to care for his ailing parent. He also announced that Patrick Banks will resign his seat as a Commercial Property Owner but his replacement should be present at the July meeting.

Approval of PAC minutes: The May PAC minutes were approved.

Mid-Market Redevelopment Plan and SUD:
Discussion of community comments (Action Item): Lisa Zayas-Chien began this discussion by distributing a chart that compared Affordable Housing Production numbers under the existing Planning Code vs. the proposed MM Plan and SUD. The chart's intention is to show what the MM Plan actually will produce as far as affordable units over its 30 year life.
It is estimated that the private sector will produce 557 affordable units at 60% AMI for rental and 100% AMI for ownership. (It is estimated that 60% AMI for one individual is approximately $39,900. and 100% AMI for one individual is approximately $66,500.)

It is estimated that publicly funded affordable housing via the Agency will produce 506 affordable units. The Agency will use 50% of AMI as a cap, this is approximately $33,350 for one individual. (As an example Zayas-Chien noted that the Agency is assisting in the Mercy Housing project which ranges from 25% ($16,500.) to 50% AMI.)

The total estimated affordable housing production is 1063.

Bob McCarthy: The goal and commitment for affordable units at the end of the 30 years is 1221. Will the Agency make up the difference between the 1063 and the 1221?

Zayas-Chien: Yes, the Agency is committed to the 1221.

McCarthy: Are you including Trinity Plaza's 34% inclusionary units in this count.

Zayas-Chien: No, we are counting Trinity at 12%. We really don't know what Trinity's percent will be at the end of the day.

McCarthy: Of the original 1221 units 340 units were at Trinity, why are you not counting them now, it should show as another line item.

Zayas-Chien: This is just showing that the Agency is committed to the 1221.

Craig Adelman: Rent controlled units should not be applied to the 1221. Theory is anti-gentrification through the actions of the SFRA.

Guest: I make $12,000. do I qualify?

Adelman: 30% of income will go towards rent. This will probably not address those that live on $12,000. The Federal Administration programs will have to come around. Redevelopment does not have the resources to serve this population but may partner with other City agencies to serve this income group.

Zayas-Chien: We may subsidize less than 25% AMI but other agencies like the Mayor's office etc. could do this.

Kathleen Diohep: What is approximately the monthly rental cost?

Zayas-Chien: At 25% AMI rent costs are approximately $416. with utilities.

George Williams: Rent control is not necessarily affordable.

McCarthy: I disagree, we can discuss later.

Eric Tao: It looks like the chart does not represent any non-profit housing development production. This should be counted, it is a missing element which could make up for the shortfall which is being shown on the chart.

Zayas-Chien moved on to the second side of the chart which estimated the program funds. She noted that we needed to discuss three particular issues:

- 50% of the funds be applied to affordable housing
- 50% of AMI instead of 60% of AMI as noted in the Plan
- SFRA would do only rental housing at 50% or less

John Elberling: To cut from 60% AMI to 50% AMI should be analyzed to show what the consequences may be by doing this. 60% is a standard, the de facto limit, if you do not observe that you may not be able to put a deal together. 50% AMI cuts out a section of people who are earning $39,900. or those who could occupy "workforce housing", which is a good goal. Until we can show that those earning 60% AMI can get housing we should not cut them out.

Adelman: SFRA using 50% AMI will have a ripple effect. You need to look broader than the Mercy Housing units. It could hurt the flexibility, you may not want all units 50% or below. The 50% will tie our hands below the level of the playing field that everyone else is playing on.

Anthony Faber: The community says 60% AMI is not affordable. Put in the number of units expected for very low, low, and "kind of poor".

Zayas-Chien: This is an answer to the community response to the Plan/SUD. We are saying this is a maximum. Each project will change. The Plan does speak to a range of incomes.

Diohep: 50% can be a Goal, not a mandate.

Zayas-Chien: Do you agree that 50% be a goal and not a mandate and that the Agency should do 100% rental.

Diohep: Yes.

Patrick Banks: Can you set goals of percentages for certain income level?

Adelman: In most cases you must do that. This has policy and political concerns.

Elberling: There should be priority for North of Market people to live in the area. South of Market has done this with the Agency's help in obtaining census tracts.

Guest: Many families are only making $20,000 a year.

Zayas-Chien: We are trying to establish a range or housing from 25% to 50% of AMI which is generally $16,000 to $32,000 this is why we want to establish at least 50% of tax-increment funds allocated to affordable housing.

The focus then moved to the proposed changes to the MM Redevelopment Plan and SUD which were outlined on a second sheet distributed by Zayas-Chien. In order to "Strengthen Commitment to Affordable Housing, Arts, Employment" the following was proposed:
1. Establish more aggressive targets for the Redevelopment Agency's affordable housing efforts:
a.) *Agency will ensure that at least 50% of tax-increment funds allocated to the Agency by the Board of Supervisors will be used for "affordable housing".*
This motion was moved and seconded. **It was approved unanimously**.

b) *Agency affordable housing projects to target incomes no greater than 50% of median income, with deeper affordability where feasible.*

There was discussion of this and some amendments were made including that it be noted that this will be a goal not a mandate.

David Wilbur: Having 60% of AMI is where most people think all the money will go. Look at segments for 25%. 30%, 40 % and 50% .

Diohep: A certain pot of money dedicated to incomes?

Adelman: The Agency's record speaks strongly to suggest an average target. Don't tie their hands to absolutes. I like the goal coupled with the facts and make a clear strong effort to target units below 50%.

Elberling: Allow residents of the Project Area or residents of 94102 zip code priority. This will get us a lot farther.

Marshall Foster: Not include the South of Market residents?

Elberling: South of Market has this already. 94102 may not be the best designation but some priority boundaries.

George Williams: North of Market Zoning District?

Elberling: OK

Richard Livingston: This is a response to opposition. I don't thing that two or three policy changes will satisfy the opposition. I am uncomfortable with this process. The opposition is not going to buy this. They may have even better ideas. Don't try to co-opt this.

Guest: Base percentages on actual incomes of people who live here.

Zayas-Chien: The Agency does reach a lot of people. We know basically their income.

Wilbur: This will come out at the Board of Supervisors. This will be a Board decision. We should disengage and re-engage at 1 Carlton B. Goodlett.

Zayas-Chien: I understand, it's the circle of people who came to the Planning meeting and said change, we are going back to Planning with changes.

Diohep: David you can't have it both ways, we are doing the changes we heard the community ask for.

Diohep: I move the following as 1. b) *Agency affordable housing projects to target incomes no greater than 25% to 60% of median income, with deepest affordability feasible.*

This motion was approved but then amended to:

Agency affordable housing projects to target incomes from 0% to 60% of median income, with deepest affordability feasible. Approved unanimously

1.c) *Agency affordable housing projects to be 100% rental.* Approved, 0 No, 1 abstained

Next the following was **Added** by John Elberling:

1.d) Expand affordable housing priority in MM Plan to include Tenderloin residents and possibly other adjacent areas. Approved unanimously
Note: Staff was asked to come back with proposal of neighborhoods boundaries.

Guest Michael Nulty: I am uncomfortable about you talking about the Tenderloin without anyone representing it.

Diohep: It is a question of who gets it first. It is not about the Tenderloin it is about the area.

Adelman: Michael your point is well taken; you listed all the organizations you represent in the Tenderloin. It is a motion that prioritizes the Tenderloin and its residents.

The discussion moved to the next items:

2. *Establish a minimum goal for non-profit capital funding (community services, arts, culture and entertainment): 20% of total redevelopment program funds allocated to the Agency by the Board of Supervisors.* Approved unanimously

Item #3 was approved with the new phrase which is underlined.

3. *Include specific employment and contract language: "The Agency will adopt and implement programs, for implementation in the Project Area, that meet or exceed City policies regarding workforce development, contracting opportunities, and equal opportunity, particularly for economically disadvantaged San Francisco residents, with priority to Tenderloin residents and possibly other adjacent areas, and businesses."*
Approved unanimously

In order to address parking concerns in the Mid-Market Redevelopment Plan and SUD items 4, 5 and 6 were put forward for discussion.

4. *Remove the "parking garage" goal and project from MM Redevelopment Plan (Goal G4 in h.2, p 15 and Representative Project F2 in Ch.7, p 45) The Plan addresses this issue comprehensively in the following instances*:

a) Development of a Transportation Access and Parking Management Plan (Chapter 1 Sec 1.7)
b) Implementation of a Transportation Demand Management Program (Chapter 7, Section 7.2, Project F1) Approved 1 Abstained

5. *Permit no more than 2 floors of above-ground parking. Allow one addition floor by CU for the replacement of existing short-term surface parking. Require all above-ground parking to be wrapped with active uses.*

Marshall Foster explained item #5 saying that this would continue to allow more flexibility than one floor of parking. This is a move to insure that there is not a lot of above grade parking. It is still more restrictive than the Rincon plan and there is no change to the wrapping requirement.

Jeremy Nelson: We will not support this, we will support one floor above ground.

Bob McCarthy: The TLC has driven all of this, they are the only opposition. Now they don't like the compromise. They are not happy so let's not give it to them.

George Williams: Move that we vote on the language proposed.

The vote was called and the item failed to win approval with 7 No, 4 yes, 2 abstain.

Item #6 Defer parking ratio issue to pending Board legislation related to residential accessory parking in C-3 Districts was not discussed.

Agency Staff Report: Lisa Zayas-Chien announced that this was her last PAC meeting before she begins her maternity leave. She introduced Mike Grisso, her replacement. Mike is the Project Manager for the South of Market PAC so he is very familiar with the MM project. She also noted that MM will not make the 2005/06 base year.

Kathleen Diohep asked about the arts credits fund which shows no administrative costs. 10% should be designated to administer the fund.

PAC Staff Report: Carolyn Diamond announced that the Planning Commission hearing on MM had been continued to June 23rd. She and Chair Yee will make phone calls to remind the PAC to attend. George Williams stressed to the PAC that they needed to attend this hearing. Diohep suggested that a range of talking points be given to folks.

Lynn Valente announced the annual 6th Street Fair would be held on Saturday June 26th.

Public Comment: Michael Nulty announced a meeting to talk about the increased frequency of emergency vehicles in the Tenderloin and Mid-Market. He asked for PAC members to attend the June 14th meeting at the Tenderloin Police Station at 6:00 pm

The meeting then adjourned.

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Mid-Market
Project Area Committee Meeting
Wednesday, July 13, 2005
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

I.	**Welcome and Introductions**	
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)** **Election of new PAC member (Action Item)**	**(15 Min.)**
IV.	**Mid-Market PAC Configuration and Review of MM By-laws** **SF Redevelopment Agency Legal Staff**	**(40 Min.)**
V.	**Mid-Market Redevelopment Plan & Mid-Market Special Use District** **Discussion of Planning Commission comments (Action Item)**	**(25 Min)**
VI.	**Agency Staff Report** **Recommended boundaries for the proposed affordable housing preference.**	**(25 Min.)**
VII.	**PAC Staff Report**	**(5 Min.)**
VIII.	**Public Comment**	**(5 Min.)**

Please Note: There are openings on the Mid-Market PAC in the Residential Tenant category.

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Samuel Noily
Patrick Simms
Eric Tao
Badru Valani
David Wilbur
George Williams
Michael Yarne

Minutes
Regular Mid-Market PAC Meeting
July 13, 2005

Members Present: David Addington, Katherine Bernitt, Marty Cerles, Linda Corso, Carolyn Diamond, Kathleen Diohep, John Elberling, Anthony Faber, Tom Hart, Ralph Lee, Richard Livingston, Samuel Noily, Patrick Simms, Eric Tao, David Wilbur, Byron Yee

Members Absent: Craig Adelman, Sam Alicia Duke, David Hart, Nerea Iturriotz, George Williams

Staff: Mike Grisso, Penny Nakatsu

Welcome and Introductions: Chair Yee welcomed the group and asked for self-introductions.

PAC Announcements: There were no announcements.

Approval of PAC Minutes: The minutes of the June meting were approved.

Election of New PAC Members: Chair Yee announced that PAC members Mark Casagranda (Commercial Property Owner) and Lesley Pierce (CBO Art and Cultural) had resigned.

Next he introduced Mr. Chuck Nagele, President of The Art Institute of California –San Francisco who was interested in the seat of Commercial Tenant. Mr. Nagele noted that the Art Institute at 1170 Market Street has expanded and now occupies space in 10 United Nations Plaza and 1145 Market Street. The Institute has 1,400 students and 200 employees. The Art Institute has previously held a seat on the PAC and is happy that an opportunity to serve again has become available. There was a motion to elect Mr. Nagele to the seat of COMMERCIAL TENANT (replacing Wayne Wong). The motion was seconded and Mr. Nagele was unanimously elected to the seat.

Chair Yee then introduced Mr. Michael Yarne of Martin Building Co at 54 Mint Street. Recently PAC member Patrick Banks of Martin Building Co. (Commercial Property Owner) had resigned. Mr. Yarne told the group that he was somewhat familiar with the MM PAC because prior to his employment with the Martin Building Co. he worked as a land use attorney with Farella Braun + Martel who represented clients in the MM area. There was a motion to elect Mr. Yarne to the seat of COMMERCIAL PROPERTY OWNER. The motion was seconded and Mr. Yarne was unanimously elected.

PAC members Kathleen Diohep and Patrick Simms noted that they would have nominees for the seat open in the Art and Cultural category. Carolyn Diamond asked that they contact her with the names of their nominees.

Mid-Market PAC Configuration and Review of MM By-laws: Agency legal counsel Penny Nakatsu began this presentation. She noted that she was asked to come to the meeting to clear up misinformation regarding PAC elections. There was misinformation and the PAC had been told that there was a requirement for a new PAC election 100 days after the MM Plan was adopted by the Board of Supervisors. She noted that Plan Adoption does not require a new PAC. This is not a legal requirement and the PAC does not have to re-constitute itself. In fact Calif. Redevelopment Law (CRL) allows for the PAC to be in existence for at least 3 years after Plan Adoption. If the MM PAC wanted to re-configure the PAC the Board of Supervisors must approve it.

Mike Grisso added that for the sake of continuity Agency staff recommends that a new PAC election be held after two or three years after Plan Adoption. Since the Plan will have a life of 30 years there would be plenty of time for a new PAC election. Discussion followed:

Anthony Faber: The composition of the PAC should change. There has not been a lot of interest in the current PAC composition.

John Elberling: The critics have said that the PAC is not representative of the community. Only 5 or 6 current members were originally elected to this PAC. Self perpetuation is a bad thing; this is a bad time to perpetuate the same PAC.

Samuel Noily: I think it is important though to maintain the continuity of the PAC.

Elberlling: You will have continuity. The business owners vote for business owners, the businesses vote for businesses and community benefits organizations are voted on by everybody. Changing the by-laws now would be a red flag.

Richard Livingston: I didn't think we were forced to have an election. I thought it was what the PAC wanted. It is a bad idea to change an anticipated election at the last minute. Not having an election seems like a "banana republic" kind of thing. I vote to have an election, plus it is a good time to change the PAC and a good outreach tool. Don't go to the Board of Supervisors and say we want amendments but no election.

Grisso: The Board doesn't oppose this, they agree to a three year wait. No one is saying don't have an election we are saying to wait a while and don't have it right after Plan Adoption.

Faber: At Plan Adoption MM will have high visibility, I think we should have an election.

Michael Nulty: Am I hearing no new re-constitution of the PAC? This is an open process and should be, promises were made to the community and now there is no seat for me?

Diohep: Can we shift the seats and do like the Board did and stagger elections. We need a different way to elect members with maybe a nominating committee.

Grisso: This is an open discussion. Don't accuse us of grandstanding or not being open. The staff and the Agency don't think this is a wise decision. It doesn't make sense to have the election now when this is a 30 year plan. All I can do is recommend to the PAC what to do.

Carolyn Diamond: The new configuration of the PAC was voted on in 2002 to try to be more inclusive of the community. We added a Tenants Association Rep. and a Home Owners Rep and CBO's from north and south of Market St. We need to take this issue up at a Projects Meeting and come back with a recommendation on a PAC election and seat configuration and terms of membership. We can also discuss a process on how to fill seat vacancies.

David Wilbur: The Projects Meetings are not accessible to everyone because they are at 4:00 pm. They need to be scheduled later in the afternoon.

Diohep: Do we want to do this even though we don't have to?

Valerie O'Donnell: What does an election take, what does it entail?

Grisso: The Board of Elections of the City oversees the election. Groups vote for groups. This is a 30 year plan. In the first years there is work to be done such as design guidelines and infra-structure work. These probably can be done in the first three years. Again, we are not saying don't have an election, just wait, we are only talking about three years.

Diamond: What is the financial cost of an election, is that a problem?

Grisso: I don't think funding is an issue. It probably will take $20 to $40 thousand.

Patrick Simms: If we do an election does that mean nothing can be changed?

Samuel Noily: Are you talking about the SUD and Plan?

Simms: Yes

Noily: These can be changed by amendments. The PAC can recommend to the Board changes but the Board can over rule and so can the Agency.

Marty Cerles: I think we should vote at the next meeting on having an election and the re-configuration of the seats. We were under the impression that this is what we had to do 100 days after Plan Adoption. The community is expecting an election and it is not fair to the community.

Tom Hart: Is 100 days enough time to set up an election?

Elberling: Consult with the Dept. of Elections and ask what is a reasonable amount of time to put together an election. 100 days may not be enough time, find out what amount of time it will take.

This concluded this item.

Mid-Market Redevelopment Plan and MM Special Use District: This item was on the agenda to give PAC members and guests an opportunity to discuss the Planning Commission hearing (6-23-05) on the Mid-Market SUD.

Diohep: Artists are hoping that the funds designated for the arts do not eat up existing arts organizations. There is interest in looking at artists housing and artists want to be able to make recommendations on the arts study.

Noily: A lot of the speakers at the hearing were talking about losing their housing. All of our anti-gentrification efforts were lost. The second thing I heard was a total distrust of Redevelopment.

Livingston: I watched it on TV and thought that the PAC members came across really well and had intensity.

Elberling: We need to deal with the misinformation that was given. No factual chain of cause and result of the displacement that was frequently stated. Someone was lying to these people. In the case of the Plaza Hotel the Redevelopment Agency gave residents 44 months of subsidy, rent at 25% of income, movement to the top of the list for housing. The Plaza folks moved to 8th and Howard which was a better deal. Anyone who says they are going to be displaced is a liar.

Byron Yee: A lot of people who testified against the Plan live in residences funded by the Agency.

David Wilbur: Redevelopment will gentrify the area. There is not a sustainable future with 12%. It is simple economics. If I had a 20 unit building I could clean it out and make millions of dollars more. We need more facts. Look at Yerba Buena and South of Market. What is the value of units now? Let us know what the impact is on adjacent areas. We need facts from the Agency and the Planning Dept. We have to slow down this process and that will be my message.

Michael Yarne: Facts are difficult to quantify. I am not 100% clear on what that data will teach us. What does one do with the data? How do you correlate to a theoretical 20 unit building? One real thing will be Tax Increment Financing. There is a concern; it would be a tragedy to sacrifice TIF.

Wilbur: Property tax does not evaporate.

Elberling: Yerba Buena is not a comp. for Mid-Market because of its age and because of the convention complex. There is a comp. and that is 6th Street. The Emerald Fund is a good example. It is not full and it has low rents.

Valerie O'Donnell: The PAC needs to address that some people will lose their homes.

Michael Nulty: This should not be a "we or they thing". This is our community; economically people have been kicked around and are manipulated. Need to address the issues of the poor. Those that have businesses are concerned they will be priced out of the area, these businesses serve this population, they are afraid the current residents can't live here.

This concluded this item.

Agency Staff Report – Recommended boundaries for the proposed affordable housing preference: (Background: At the June PAC meeting PAC members approved amendments to the MM Plan and SUD. One of these amendments approved stated: *"Expand affordable housing priority in MM Plan to include Tenderloin residents and possibly other adjacent areas."*) Agency staff was asked to come back with a proposal of neighborhoods boundaries.

Mike Grisso distributed an informational sheet showing MM Statistical Area of Census Tracts. The MM census tract is 176.01. He recommended adding to tract 176.01 tracts 124 and 125, North of Market blocks, to the affordable housing priority. Discussion followed.

Livingston: The Tenderloin neighborhood is usually considered tracts 125, 124, plus 123 and 122. These should be added. Projects of TNDC etc. cannot give priorities so this would help. This would include the area of Van Ness, Post, Powell and Market.

Grisso: Suggest we don't make it too big. We already have people from Fillmore who supersede this project preference. Keep in mind that there may be only 500 units. We cannot serve all those people in the Tenderloin. The case can be made that not many of these people will get served.

Livingston: There is a compelling argument to include all of the Tenderloin, not just part of it. I think it makes sense to use the four census tracts.

Wilbur: Preference should go to South of Market too.

Elberling: South of Market already has a pool of preference.

Wilbur: Where does South of Market census tract go?

Grisso: Don't know in my head, past Howard or Folsom Street. If you add South of Market tracts then SOMA residents would have two areas of preference.

Elberling: The Tenderloin has to have some equity.

Livingston: The argument for the four census tracts would be that it would be a contiguous community. Not including all tracts would cut up the area.

O'Donnell: I agree. Everyone in the Tenderloin should have preference.

Nulty: Even if you give them preferences they still have to qualify. But people want to move up.

It was decided to bring this item back to the PAC in August as an Action Item.

Next, Elberling asked about the Bloomingdale's project and what was the status of the merger for MM and Bloomingdale's. Does the staff still intend to do this? Grisso responded that as far as he knew no one was saying anything had changed.

Public Comment: Michael Nulty reported on the Alliance for Better District 6 forum on sirens and emergency vehicles issues. Residents are having a problem with the number of calls that result in emergency vehicles. He noted that he asked PAC members to attend meeting but no one came. "We need to address this because more people will be living here."
Also he noted that the Central City Extra newspaper will be out of business by December if they don't find financing.

The meeting then adjourned.

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Mid-Market
Project Area Committee Meeting
Wednesday, August 10, 2005
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

I.	**Welcome and Introductions**	
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)** **Election of new PAC member (Action Item)**	**(15 Min.)**
IV.	**Mid-Market PAC Configuration and Amendments of MM By-laws (Action Item)**	**(40 Min.)**
V.	**Recommended boundaries for the proposed affordable housing preference. (Action Item)**	**(40 Min.)**
VI.	**Agency Staff Report**	**(10 Min.)**
VII.	**PAC Staff Report**	**(5 Min.)**
VIII.	**Public Comment**	**(5 Min.)**

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Minutes of Mid-Market Regular PAC Meeting
August 10, 2005

Members Present: David Addington, Craig Adelman, Katherine Bernitt, Marty Cerles, Linda Corso, Carolyn Diamond, Kathleen Diohep, Anthony Faber, Tom Hart, Ralph Lee, Richard Livingston, Samuel Noily, Patrick Simms, Eric Tao, Badru Valani, David Wilbur, George Williams, Michael Yarne, Byron Yee

Members Absent: John Elberling, Dave Hart, Nerea Iturriotz, Chuck Nagele

Staff: Mike Grisso

Welcome and Introduction: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: Chair Yee announced that the Tenderloin Community Benefits District was approved by a vote of property owners of 65% yes and 35% no.

Approval of PAC Minutes: Michael Nulty asked for his comment at the July PAC meeting to be amended to read:"This is an open process and should be, promises were made to the community and now there are no seats for the community at large." With this amendment the minutes of July were approved.

Election of new PAC member: Chair Yee then introduced Linda Hughes of Red Ink Studios as a candidate for a seat as a Commercial Tenant. This seat has been vacated by Mary Ellen Churchill.
Hughes introduced herself as the curator for Red Ink Studios. Red Ink has three galleries on Market Street at 1095, 989 and at the SF Mart. All their galleries and studio space for artists are in unused commercial space. They have an arrangement for the space which is donated by the landlord and Red Ink donates it back to artists and performers. David Addington asked if Red Ink was really a commercial tenant if they were not paying rent. Linda Corso, the landlord at SF Mart, confirmed that Red Ink does pay a small rent fee so they were a tenant.
A motion was made to elect Linda Hughes to the commercial tenant seat and she was elected unanimously.

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Mid-Market PAC Configuration and Amendments of MM By-laws: Carolyn Diamond distributed extra copies of the Projects Committee's recommendations on the MM PAC Election and Census Tracts Inclusion. Mike Grisso reminded the PAC that these recommendations must be approved by the Board of Supervisors. He also noted that the reconfiguration of the PAC would have to be put through by the City Attorney.

First discussion was on PAC Election although Kathleen Diehop pointed out that the discussion really involved two issues: the reconfiguration of the PAC and the PAC election dates. She noted that the recommendation of the Projects Committee was a compromise of what the Agency had recommended at the July PAC meeting.
She also acknowledged the copy of the letter to the MM PAC members listing the resolutions passed by the Tenant Associations Coalition of San Francisco which was distributed by Michael Nulty.

Linda Corso: When would we do this re-configuration?

Grisso: When the Board of Supervisors considers the Plan they can consider this re-configuration too.

Craig Adelman: The PAC has approved the re-configuration and the new seats will be elected by the PAC after approved by the Supervisors. Is this the recommendation?

Grisso: Yes, but the PAC has to bring this to the Supervisors, not the Agency. You could ask them to do this any time but the PAC prefers that it is done at Plan Adoption.

Anthony Faber: I strongly feel we need an election.

Richard Livingston: We should have an election; we may never have an election if we wait three years after Plan Adoption.

Grisso: This body was elected and the requirement is only one election.

Livingston: I think it is a bad idea to go to the Board and not have an election. We have not asked the Board of Supervisors to vote on this configuration. Also I recommend that we add all the new seats but do not subtract any seats.

Adelman: An action item was recommended by the Projects Committee. What is the precedent with other PAC's?

Grisso: There has never been a second PAC election.

Eric Tao: Is there a waiting list to get on the PAC?

Carolyn Diamond: No, we usually have to go out and recruit people for the seats.

Linda Corso: Can we go back to the Board of Supervisors and amend it again if there are more and more residents in the area?

Grisso: My guess is the Board can change any time they want. Again, I think re-configuration is a good thing but I think an election should not be right after Plan Adoption.

Michael Yarne: What is the lag time for an election?

Grisso: The Board of Elections said six months would be a comfortable time.

Yame: What does the Agency contemplate as a good time?

Grisso: The Agency is assuming the PAC will be around for the life of the Plan so we recommend an election three years after Plan Adoption. You still have things to do including the Streetscape Plan, a Transportation Plan and the Design Guidelines.

Linda Corso: I make the following motion: **"I move that we instruct Chair Yee to draft a letter to the Board of Supervisors asking that they approve the PAC configuration of 2002 and that we have an election three years after Plan Adoption."** Chair Yee called for discussion.

Livingston: I would like to amend this motion to say that no seats will be subtracted from the PAC configuration of 2002.

Tao: This would expand the PAC to 40 seats.

Byron Yee: This would be a large committee with 40 seats.

Grisso: Usually when there are this many seats it is easy to get a majority of votes, so there does not have to be an odd number of seats.

Nulty: Would the new seats be available asap?

Tao: The new seats would be elected by the PAC.

Livingston was asked to restate his motion to amend Corso's motion. He restated:
Move that the reconfiguration of the PAC not decrease Residential Owner Occupant, Residential Tenant and Civic Organization seats and the end result is 40 seats.

Chair Yee called for a roll call vote. The amendment was approved 20 yes, 1 no.

Next, Anthony Faber put forward another amendment to Linda Corso's motion.
Anthony moved:"I move that there is a PAC election six months after Plan Adoption"

Chair Yee called for discussion:

Tom Hart: What if the City can't get it done in six months can someone complain?
What is the legal consequence?

Faber: OK I **change my motion** to an election"<u>within one year</u>" after Plan Adoption.

Grisso: One year is not enough because you need to finish the planning.

Tao: I think you will see the same people on the PAC. Why spend the City's money on this?

Livingston: It is the same cost, they are just spending it earlier.

Tao: My concern is just to give people who want to be on the PAC the opportunity. I think we should keep three years.

Corso: I think we should have a chance to finish what we started.

David Wilbur: I think having an election allows people who want to become involved an opportunity. An election further legitimizes the PAC.

Chair Yee called for a restatement of the amendment to Corso's original motion.

Faber: **"Move that there is a PAC election within one year of Plan Adoption."**

Chair Yee called for a roll call vote. The amendment was not approved by a vote of 6 yes, 14 no.

Chair Yee called for a vote on the amended motion of Linda Corso. However, George Williams asked for another amendment saying he did not think an election should be held within one year of Plan Adoption but he would consider an election two years after Plan Adoption. Williams then made the motion to amend Corso's original motion.

Williams: **"Move that there is a PAC election in two years of Plan Adoption."**

Chair Yee called for discussion of this motion.

Grisso: Two years is not enough, you may start planning and then in the middle of it you have an election. It doesn't make sense to do two years, do three years.

Diohep: I don't think this is bad to have new voices.

Chair Yee called for a roll call vote. The amendment was approved by a vote of 18 yes 2 no.

Linda Corso's original motion which had now been amended was restated. The motion was now **"Move that we instruct Chair Yee to draft a letter to the Board of Supervisors asking that they approve the PAC configuration of 2002 as amended and that we have an election in two years after Plan Adoption."**

Chair Yee called for a roll call vote. The motion was approved by a vote of 20 yes, 0 no.

Recommended boundaries for the proposed affordable housing preference: The Projects Committee recommendation for the housing preference listed by priority the following:
Revised Preferences:
1. Those who are Agency Certificate Holders
2. Those displaced from housing within the Project Area by the Agency's actions pursuant to this Plan
3. Those displaced from housing elsewhere in the City by the Agency or City
4. Residents of the Project Area
5. Other residents of North of Market census tracts 176.01, 125, 124, 123, 122

Discussion followed on this proposal.

Livingston: I am pleased that the Projects Committee has recommended all four tracts of the Tenderloin.

Adelman: I second Richard's feelings. I move to incorporate the revised preferences with an amendment to #5. I want to remove the words "North of Market" in #5 so it reads: Other residents of census tracts 176.01, 125, 124, 123, 122.

Grisso: If you make this preference you are opening up challenges to the whole Plan. I think you are doing this for purely political purposes. What about south of Market, west of 11th, and south of 4th? This doesn't seem effective.

Adelman: I would like to make the case that the Tenderloin is a community, a small community and the Plan impacts all of the Tenderloin. I would be surprised if anyone would challenge this. The Tenderloin as a community has been a player and is a community with the greatest need.

Valerie O'Donnell: We have had this discussion. The Tenderloin is one community. There are loads of SRO's on Post Street. This City runs on political causes.

George Williams: What are the legal ramifications?

Grisso: Someone would challenge that this much area is not impacted. Our staff is not willing to defend this challenge. The question is why these people and not others. Only justification is census blocks. Internal discussions at the Agency do not agree with you.

Richard Allman: East of 4th Street etc. does not have the need for affordable housing.
Linda Corso: The PAC should make the recommendation and the City Attorney can defend it. This allows us to make a statement.

Williams: Why use census tracts?

Grisso: Census tracts are used because it avoids giving preferences to ethnic groups. The one-half mile or mile preference radius was not defensible and should go by census tracts.

Marty Cerles: Did you make this argument to the Projects Committee?

Grisso: Yes, and it was rejected.

Diohep: Folks were afraid of displacement in the Tenderloin. This is a response to what we heard from the community.

Chair Yee called for a restatement of the motion.

Adelman: **"Move to incorporate the revised preferences to include census tracts 176.01, 125, 124, 123, 122."**

In full this motion reads:

Housing in the MM Redevelopment Project Area be made available to persons and families of low and moderate income in the following order of priority, to the extent permitted by law:
1. Those who are Agency Certificate Holders
2. Those displaced from housing within the Project Area by the Agency's actions pursuant to this Plan
3. Those displaced from housing elsewhere in the City by the Agency or City
4. Residents of the Project Area
5. Other residents of census tracts 176.01, 125, 124, 123, 122

Chair Yee called for a roll call vote. The motion was approved by a vote of 15 yes, 0 no.

Agency Staff Report: Mike Grisso reported that it is likely that the Agency Commission will not receive the MM Redevelopment package until mid-September. The background documents have not been completed and he is working with consultants to complete these necessary documents. Due to the lengths of time that scheduling takes at the Board of Supervisors it looks like the MM Project will not get to the Board of Supervisors until January of 2006.

Williams: I think this is outrageous. We won't get tax increment until 2007. I think the Director needs to be accountable and respond.

Grisso: I am just making you aware that it is unlikely to meet the December 2005 deadline.

David Wilbur: July 1, 2005 will begin the base year?

Grisso: If it can pass by December 2, 2005 you can collect the 2005/2006 taxes after July 2006. If it passes January 2006 you still have the same base year. What changes is the first year you receive the 2006 increment and that would mean collecting after July 2007.

PAC Staff Report: There was no report

Public Comment: Michael Nulty thanked the PAC for reading the letter he presented from the Tenant Associations Coalition.

The meeting was then adjourned.

1 Roll Call Vote al Motion: L.Corso: Move that struct Chair Yee to draft a letter Board of Supervisors asking ey approve the PAC config- n of 2002 and that we have an on three years after Plan ion.	Date: 8-10-05 Motion: Amendment #1 R. Livingston: Move that the recommended reconfiguration of the PAC not decrease Residential Owner Occupant, Residential Tenant, Civic Organization seats and the end result is 40 seats.	Date: 8-10-05 Motion: Amendment #2 A. Faber: Move that there is a PAC election within 1 year of Plan Adoption	Date: 8-10-05 Motion: Amendment #3 G. Williams: Move that There is a PAC election ir 2 years of Plan Adoption
avid Addington	yes	no	yes
raig Adelman	yes	yes	yes
athleen Bernitt	yes	yes	yes
larty Cerles	yes	no	yes
inda Corso	yes	no	yes
athleen Diohep	yes	yes	yes
am Alicia Duke	no	no	yes
arolyn Diamond	yes	no	yes
hn Elberling	absent	absent	yes
Anthony Faber	yes	yes	yes
David Hart	absent	absent	absent
Tom Hart	yes	no	yes
Linda Hughes	yes	no	yes
Ralph Lee	yes	no	yes
Richard Livingston	yes	yes	yes
Chuck Nagele	absent	absent	absent
Samuel Noily	yes	no	yes
Patrick Simms	yes	absent	absent
Eric Tao	yes	no	no
Badru Valani	yes	no	yes
David Wilbur	yes	yes	no
George Williams	yes	no	yes
Michael Yarne	yes	no	yes
Byron Yee	yes	no	yes

Roll Call Vote	8-10-05 Motion: L. Corso: Move that we instruct Chair Yee to draft a letter to the Board of Supervisors asking that they approve the PAC configuration of 2002 as amended and that we have an election in two years after Plan Adoption.	8-10-05 Motion: C Adelman: Move to incorporate the revised preferences to include census tracts 176.01, 122, 123, 124, & 125	(See 8-10-05 Minutes for full motion)	
David Addington Commercial Prop. Owner	yes	Yes		
Craig Adelman Community Development-CBO	yes	Yes		
Katherine Bernitt Residential Tenant	yes	Yes		
Marty Cerles Commercial Prop. Owner	Yes	Yes		
Linda Corso Commercial Tenant	Yes	Yes		
~~Carolyn Diamond~~ Business Association-CBO	~~Yes~~	~~Yes~~		
Kathleen Diohep Commercial Tenant	Yes	Yes		
Sam Alicia Duke Social Service Org.- CBO	Yes	Yes		
John Elberling Business Serving Civic Org.- CBO	Absent	Absent		
Anthony Faber Residential Tenant	Yes	Yes		
David Hart Residential Tenant	Absent	Absent		
Tom Hart Commercial Prop. Owner	Yes	Absent		
Linda Hughes Commercial Tenant	Yes	Yes		
Ralph Lee Commercial Prop. Owner	Yes	Yes		
Richard Livingston Arts and Cultural Org.	Yes	Absent		

MM PAC Roll Call Vote 8-10-05				
Chuck Nagele Commercial Tenant	Absent	Absent		
Samuel Noily Commercial Prop. Owner	Yes	Yes		
Patrick Simms Residential Tenant	Absent	Absent		
Eric Tao Commercial Prop. Owner	Yes	Absent		
Badru Valani Commercial Prop. Owner	Yes	Yes		
David Wilbur Commercial Tenant	Yes	Yes		
George Williams Business Serving Civic Org	Yes	Yes		
Michael Yarne Commercial Prop. Owner	Yes	Absent		
Byron Yee Business Assoc.-CBO	Yes	Yes		

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Chuck Nagele
Samuel Noily
Patrick Simms
Eric Tao
Badru Valani
David Wilbur
George Williams
Michael Yarne

Mid-Market
Project Area Committee Meeting
Wednesday, September 14, 2005
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

I.	**Welcome and Introductions**	
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)** **Election of new PAC member (Action Item)**	**(15 Min.)**
IV.	**Update on the State Compensation Insurance Project 9th and Market**	**(15 Min.)**
V.	**Update on the Mercy Housing Project 10th and Mission Family Housing and 9th & Jessie Senior Housing (Action Item)**	**(20 Min.)**
VI.	**Review and clarify specific employment and contract language that was approved by the PAC on June 8th. (Action Item)**	**(40 Min.)**

(Text reads: "The Agency will adopt and implement programs, for implementation in the Project Area, that meet or exceed City policies regarding workforce development, contracting opportunities, and equal opportunity, particularly for economically disadvantaged San Francisco residents, with priority to Tenderloin residents and possibly other adjacent areas, and businesses.")

VII.	**Agency Staff Report**	**(15 Min.)**
VIII.	**PAC Staff Report**	**(5 Min.)**
IX.	**Public Comment**	**(5 Min.)**

Please turn off cell phones during the meeting.

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Minutes
Mid-Market PAC Regular Meeting
Sept. 14, 2005

Members Present: David Addington, Craig Adelman, Katherine Bernitt, Marty Cerles, Linda Corso, Carolyn Diamond, Kathleen Diohep, Sam Alicia Duke, John Elberling, Anthony Faber, Tom Hart, Ralph Lee, Chuck Nagele, Samuel Noily, Patrick Simms, Badru Valani, David Wilbur, George Williams, Michael Yarne, Byron Yee

Members Absent: Linda Hughes, Eric Tao

Staff: Mike Grisso

Welcome and Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: Chair Yee called for a moment of silence to acknowledge the passing of PAC member David Hart. PAC member Kathleen Diohep (Art & Culture Seat) announced she would be leaving the PAC. She introduced the new Executive Director of ArtHouse, Ms Linda Schanfien. Schanfien spoke briefly and reminded the group that she has served on the Mid-Market PAC when she was with the Goodwill Organization. Schanfien sat in the Social Service Organization seat.

Approval of PAC Minutes: The minutes of the August 2005 PAC meeting were approved.

Review and clarify specific employment and contract language that was approved by the PAC on June 8th. (Action Item)

Agency staff Mike Grisso introduced this item. He told the group that the Agency legal staff determined that the language for the Mid-Market Plan regarding *Section 4.1.2 Employment and Contracting Opportunities in the Implementation of Redevelopment Actions and section 4.10.8 Preference for Displaced Low – and Moderate- Income Persons and Families*, approved by the PAC at the June meeting would not be "legally defensible" and required new language. The original language is as follows, "The Agency will adopt and implement programs, for implementation in the Project Area, that meet or exceed City policies regarding workforce development, contracting opportunities, and equal opportunity, particularly for economically disadvantaged San Francisco residents, with priority to Tenderloin residents and possibly other adjacent areas, and businesses."

Grisso distributed a handout with new language that had been approved by the Agency legal staff. The new language is as follows with the new phrasing underlined. Section 4.1.2 "The Agency will adopt and implement programs, for implementation in the Project Area, that meet or exceed City policies regarding workforce development, contracting opportunities, and equal opportunity, particularly for economically disadvantaged residents of the Project area and surrounding lower income areas impacted by gentrification and for other economically-disadvantaged San Francisco residents and businesses.

Grisso's handout also had new language which was approved by the Agency legal staff for Section 4.10.8 which describes "Preference for Displaced Low-and Moderate-Income Person and Families. Within this section the listed order of priority for housing was changed as follows: 1) those who are Agency Certificate Holders, 2) those displaced from housing within the Project Area by the Agency's actions pursuant to this Plan, 3) those displaced from housing elsewhere in the City by the Agency or City, and 4) residents of the Project Area and surrounding lower income areas impacted by gentrification, so long as this residency preference ~~5) other residents of census tracts 176.01, 125, 124, 123, 122, if the residency preference in 4) and 5)~~ (a) does not have the purpose of effect of delaying or otherwise denying access to a housing development or unit based on race, color, ethnic origin, gender, religion, disability, age or other protected characteristic of any member of an applicant household:.....

Grisso repeated that the Agency's legal staff felt that the PAC approved language was indefensible and could not be allowed in the Plan. This new language would be defensible. This would be further developed on a project by project basis.

Kathleen Diohep: How does this work operationally?
Grisso: As each project is developed preferences would apply, it gives us a framework to implement ways to deal with those impacted by the development.

George Williams: How do you decide who is impacted?

Grisso: I thought the PAC would be able to answer this.

Michael Yarne: the term "gentrification" is subjective and undefined; gentrification is a broad term. It is the wrong word; it needs to be more specific.

Grisso: We are calling out economically disadvantaged. I know it is broad but is sets flexibility, calling out specific areas like census tracts is indefensible .Legal did not want to put in any census tracts.

Yarne: We have a hierarchy here. 1. Certificate Holders, 2. Displaced in Project Area, 3. What about #3 those displaced from housing or surrounding low income areas?

Williams: How do you empirically determine who is affected by gentrification?

Craig Adelman: We do know who will be affected. I strongly believe we do know who will be impacted. The Tenderloin will be negatively impacted by geographic proximity and income status and nature of housing stock. Displacement is a technical term. I think it is defensible. It is critical that we create some test beyond "impacted by gentrification." A test or means to have specificity and also allow flexibility.

John Elberling: This is the opinion of three lawyers with no precedent. In their defense they want a bullet proof plan. Similar things exist elsewhere. No one ruled this illegal. Let the political process decide it. If someone sues then the preference stops. Redevelopment is saying, "Don't even take a chance." Go with the public policy goal. Do the nexus study if you have to

Diohep: If these areas were in the Project Area they would have met the test of blight. We included them in the SUD. Can we do something like that? What about a "housing impact zone"?

Grisso: First you had preference within the Project Area, second a ½ mile radius of the Project Area but that needed racial equity so, third was census tracts. Legal was OK with the three census tracts. But including all census tracts was not acceptable. How do you defend giving a preference to people living on Post Street vs. someone living on 11th Street? We are not saying the Tenderloin is not important; the new language preserves the spirit of that preference.

Williams: How do you apply your language? How do you define gentrification? How do you determine where you stop? How or where do you draw the line?

Grisso: Clearly you will have to do some surveys. Gentrification is not difficult to determine. Do studies later on where gentrification is happening. There will be some dispute over boundaries.

Williams: You are anticipating doing more studies?

Grisso: Yes, there will be some dispute but that can be done.

Samuel Noily: Was staff happy with a ½ mile?

Grisso: Not really, census tracts were better.

Noily: Measure to Post Street and call it.

Grisso: Must be based on impact, not a line on a map.

Elberling: The terms are a problem. "Low income areas" is too vague, "gentrification" has no real definition. You are going to have to get down to census tracts. There needs to be some improvement of these definitions and then have a follow up study. Do the study and apply it to all projects. Doing one development projects at a time is too crazy. It will be extra work and delays.

Williams: Build in a definition of gentrification. Define "lower income areas affected by gentrification."

Adelman: In concept I agree with you. I don't have an issue with this study because the analysis will bear out what we are trying to do here. The language is a disaster in practice. Need to create specific criteria. Really the issue at hand is that you don't impact one part of the Tenderloin without impacting the other part of the Tenderloin. You don't impact gentrification without affecting other areas. Turk Street goes up therefore Ellis Street goes up. Define more

specifically in terms of income levels and existing housing stock. Lastly South of Market has preference from other projects. Politics are happening at Redevelopment, it is important not to accept the Redevelopment word as gospel.

Yarne: Refining definitions is key and qualifying what we mean by low income. Define "low income" and "impacted by gentrification"

Grisso: Keeping it broad does what we want. Not a good idea to further define. Remember the PAC will weigh in at all PAC projects. The PAC will have a say. We can redefine the terms but don't want to restrict. Leave the terms broad because it gives greater flexibility.

Diohep: Don't use the term "gentrification" at all. Maybe we will draw geographic lines by monitoring the 1221 goal.

Adelman: I am concerned about this being executed. It could slip through the cracks and never get realized. There must be a starting point, it's critical to establish by criteria an area that has flexibility.

Williams: I still don't see how this is established? How do they establish the marketing area? Do developers come to the PAC and ask what the marketing area is?

Grisso: Yes

Anthony Faber: When does preference come to an area? When housing is developed? Does the project have preference attached to it according to when it started or at the time it is completed? What if the circle of gentrification is larger later? Every single individual will have to prove how they were impacted. One guy will have to prove he is more disadvantaged. This is reams of legal stuff.

Grisso: This is going to be in the Redevelopment Plan. This is a guide for developers to use for their projects.

David Addington: This language is no more defensible than our original language.

Grisso: The law requires proof of impact outside a Project Area. Our definition is the best thing we could come up with using the spirit you wanted. We cannot put in the census tract you wanted.

Williams: What do you mean by "impact of gentrification"? We must know what baseline of information to collect.

Chair Yee: We are going to close this matter. We'll put it on next month's agenda with clearer definitions.

Grisso: The Redevelopment Plan has been calendared for October 18th. If we wait until the October PAC meeting it will not make the 18th date.

Yee: We'll set up a Projects Meeting.

Carolyn Diamond: We can get the definitions at Projects and then send them out to the PAC before the October meeting.

Williams: I make a motion: "Accept the language for the Plan now but subject to the language being brought before the Projects Committee and possible re-submission to the PAC at the October meeting. If the PAC develops more specific language it can be presented as an amendment to the Redevelopment Plan at the October 18th meeting of the Redevelopment Agency."

A vote was taken by a show of hands. All were in favor with one abstention. A roll call vote was not taken.

Update of the State Compensation Insurance Project 9th & Market Street: Denise Burian of State Compensation Insurance gave a brief update to the group on the status of the State Compensation property at 9th & Market.
Background: State Compensation owns and houses their employees in an office building at Market and 9th Street. There is a parcel behind this building, also owned by State Compensation that served as a parking lot. This parcel was to be the site of a new office building for State Compensation so all their employees could be consolidated into two buildings.
Burian told the group that in June of this year State Compensation's new Board of Directors decided not to build a new office building on the parking lot site. Even though dirt had been removed and some shoring had begun. The decision was based on cost. The project has been closed down. The site is for sale and there is interest. They have entitlements.
Questions followed:

What about your existing building?
We will continue with the existing remodel plans. The plaza will be remodeled and we may put in a small scale version of public art. The cafeteria will stay open and we are looking for an easier way for the public to access the cafeteria. Our biggest problem now is what to do with the 1000 people who were coming to the new building.

Would you lease back office space to State Compensation?
We may consider that.

Update on the Mercy Housing Project 10th & Mission Family Housing and 9th & Jessie Senior Housing: Elizabeth Colomello of SF Redevelopment Agency gave this update. She told the group that the Agency acquired the site at 10th & Mission and 9th & Jessie. Mercy Housing California is developing two projects of permanent affordable housing on the block bounded by Mission and Jessie Streets between 9th & 10th. One of the developments will be Senior Housing the other Family Housing. She distributed an informational handout highlighting the projects:
Senior Housing
New 11-story building fronting 9th & Jessie Street
107 apartments for very low income elderly- 20 studio apartments and 86 one-bedroom apartments and a manager's unit
Twenty percent (20%) of the units reserved for homeless seniors
Overall, the units will be affordable to seniors at incomes of 50% of City area median income or below.
Construction is estimated to start in summer 2007, pending the award of HUD 202 funds and other financing
Occupancy would begin in Winter 2009

Family Housing
New 12-story building fronting Mission and 10th Street
135 apartments for lower income families – 37 one-bedroom, 42 two-bedroom and 56 three-bedroom apartments including a manager's unit.
Twenty percent (20%) of the units will be reserved for chronically homeless families.
The most affordable units will be available to households at 2005 incomes of $11,880 to $21,030 depending on household size. The highest rent units will be available to households at 2005 incomes of $35,640 to $63, 090 depending on household size.
Construction is estimated to start Winter 2007 pending financing.
Occupancy would begin Winter 2009.

Agency Staff Report: Mike Grisso announced that reports were completed and on October 18th the Redevelopment Commission would hold a public hearing to consider the proposed Mid-Market Redevelopment Plan. If the Agency approves the Plan it will be submitte to the Board of Supervisors. It is possible that it could go to the Board of Supervisors at the er l of November or early December.

Grisso noted that assessed values from last year had actually gone down though he did not know the reasons for this decline.

There is an Executive Summary of the Plan and Grisso will have it made available electronically so it can be posted on the MM PAC website.

PAC Staff Report: Carolyn Diamond announced that a mid-Market property, 973 Market Street, is on the consent calendar at the Planning Commission scheduled for Sept. 15th at 1:30 pm. This property is being converted from a vacant commercial building to approximately 67 residential units.

Public Comment: Sam Alicia Duke announced that Planning for Elders had hired a new Executive Director.

The meeting then adjourned.

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Mid-Market
Project Area Committee Meeting
Wednesday, October 12, 2005
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

I.	**Welcome and Introductions**	
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)** **Election of new PAC member (Action Item)**	**(15 Min.)**
IV.	**Review specific employment and contract language that was conditionally approved by the PAC at the Sept. meeting. (Action Item)**	**(40 Min.)**
V.	**Review and approve letter to Supervisor Daly and attached amendments regarding the PAC reconfiguration. (Action Item)**	**(30 Min.)**
VII.	**Agency Staff Report**	**(20 Min.)**
VIII.	**PAC Staff Report**	**(5 Min.)**
IX.	**Public Comment**	**(5 Min.)**

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A committee of the San Francisco Redevelopment Agency

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Michael Yarne

Minutes
Mid-Market PAC Regular Meeting
October 12, 2005

Members Present: David Addington, Craig Adelman, Katherine Bernitt, Sam Alicia Duke, Carolyn Diamond, John Elberling, Anthony Faber, Tom Hart, Ralph Lee, Richard Livingston, Cuck Nagele, Patrick Simms Badru Valani, David Wilbur, Byron Yee

Members Absent: Marty Cerles, Linda Corso, Linda Hughes, Samuel Noily, Eric Tao, George Williams, Michael Yarne

Staff: Mike Grisso

Welcome and Introductions: Chair Yee welcomed the group and called for introductions.

PAC Announcements: There were no PAC announcements

Approval of PAC minutes: There was a question raised by PAC member David Wilbur about the PAC minutes and a suggestion to change some wording. However, the minutes reflected the accurate statement of the speaker so the request to change the minutes was denied. The minutes were then approved as written.

Election of new PAC member: Chair Yee introduced Mr. Brad Erickson of Theatre Bay Area as a candidate for a seat in the category of Arts and Culture Organizations. This seat was vacated by Lesley Pierce of ACT.

Mr. Erickson explained that Theatre Bay Area had over 300 members, 100 of them were in San Francisco. He was interested in the MM Redevelopment Project because of the vision of MM being an arts and culture district. Also, he expressed a personal interest in the neighborhood. He has a daily presence in the area and sees the need for revitalization.

PAC guest Michael Nulty asked if the Luggage Store had been considered as a candidate for this seat. Carolyn Diamond responded that the Luggage Store had been asked several times if they had an interest in serving on the PAC however, the Luggage Store had not responded. Also, there was a question from PAC member David Wilbur asking if Counter

Pulse had been approached as a candidate. Fellow PAC member Patrick Simms responded that he had approached Counter Pulse but they were not interested at this time.

Then a motion was made to elect Mr. Erickson. He was elected unanimously.

Review Eminent Domain language regarding Surface parking lots. (Action Item)

Mr. Karl Olson an attorney representing the Hearst Corp., owner of the SF Chronicle Newspaper, presented this item. Mr. Olson expressed to the group the Hearst Corporation's concern over the Eminent Domain language which relates to surface parking lots being susceptible to the Agency's power of eminent domain.

The Chronicle headquarters is located at 901 Mission Street, at the corner of 5th and Mission Streets. There are four Hearst owned surface lots on Mission Street between 5th and 6th Streets. These lots are used by Chronicle reporters and staff. Mr. Olson suggested language be put into the MM Plan that exempts lots from the Agency's exercise of eminent domain authority if the surface parking lots are owned by an organization that supports 500 or more employees. He proposed the following language at the end of section 4.4.2(C)(5) on page 25,:
"Notwithstanding anything to the contrary in this Section C or otherwise contained herein, property containing a surface parking lot is also exempt from the Agency's power of eminent domain authority if the surface parking lot is owned by and supports the operations of a business which employs 500 or more employees at a location within the district."

Mr. Olson noted that surface lots that significantly support arts, cultural or entertainment facilities (and meet certain other conditions) have been exempted.

Discussion followed:

Richard Livingston: The decision for Eminent Domain was not unanimous. It may not be in the plan at all.

John Elberling: I understand parking and the need for it but why not build above it. What is the Chronicle doing for the neighborhood? You could develop your lots and build housing.

Olson: We have done a lot for the City. We have been around over 100 years and we employ a lot of people.

Elberling: Parking lots don't do much good.

Olson: They support the paper. The owners don't want to be forced to build. We don't want our hands tied.

Elberling: The Chronicle has contributed city wide but there has not been much contributed to the neighborhood. Take this "back to them".

David Wilbur: There should be an obligation to the community. Tremendous good could come from the Chronicle. The Agency probably won't use eminent domain but the neighborhood could use the development. As land owners you are holding lots out of production. I would like you to come back and tell us what you plan to do with the land.

Craig Adelman: Are you aware of prior participation of the Chronicle? I don't like the argument, "We don't want to have our hands tied." We want to make owners develop in a positive manner. Coming to the table this late in the game is unfortunate. There has been a lot of discussion and talk about parking.

Sam Alicia Duke: Would you consider selling your air rights for development?

Anthony Faber: Have you considered striking a deal with 5th and Mission?

Olson: We own our lots. Fifth & Mission is public and not as convenient.

Byron Yee: Hearst has not participated and now at the 11th hour they want us to vote. I am not comfortable with a vote. For the Chronicle to ask for this change at the last minute is difficult.

Livingston: We would be voting on something that we don't know what the effects would be and who else this would apply to. We don't have enough information. I think we should table it.

Hope Swift: Are all the users of the lot employed by the Chronicle?

Olson: Yes

Swift: I think you need a lot nearby to reduce the risk factor for employees, especially for women.

Michael Nulty: How many employees do you have, over 500? This is a 30-year plan; in the future this corporation may not have 500 employees. Coming in at the end doesn't give enough information, not enough facts.

Kaye Griffin: It seems that the Chronicle doesn't want to make changes but will take the increased value of the land.

The discussion ended. **No vote was taken on this item.**

Review specific employment and contract language that was conditionally approved by the PAC at the Sept. Meeting. (action item)

BACKGROUND: At the September 2005 PAC meeting the PAC members approved the following language for the MM Plan. However, PAC members asked the Projects Committee, a sub-committee of the PAC, to work on this language and bring new language back to the full PAC at the October meeting. The PAC would then review the suggested new language and then either approve the new language or leave the language they approved at the September meeting as is.

The language approved at the September meeting was: Section 4.10.8 "Preference for Displaced Low-and Moderate-Income Person and Families. Within this section the listed order of priority for housing was changed as follows: 1) those who are Agency Certificate Holders, 2) those displaced from housing within the Project Area by the Agency's actions pursuant to this Plan, 3) those displaced from housing elsewhere in the City by the Agency or City, and 4) residents of the Project Area and surrounding lower income areas impacted by gentrification, so long as this residency preference ~~5) other residents of census tracts 176.01, 125, 124, 123, 122, if the residency preference in 4) and 5)~~ (a) does not have the purpose of effect of delaying or otherwise denying access to a housing development or unit based on race, color, ethnic origin, gender, religion, disability, age or other protected characteristic of any member of an applicant household:.....

The Projects Committee brought the following options for new language to the PAC:

4.10.8 Options

1. Leave new language as is, no change

2. Add: 5) residents of census tracts 176.01, 124, 125

3. Add: 5) residents of census tracts 176.01, 124, 125 **and** 6) residents of other surrounding lower income areas impacted by gentrification, so long as this residency preference (a) does not ...

Also, in section 4.10.8 add the words sexual orientation after the word gender in clause (a). (Waiting for Mike to determine.)

Discussion began on these options.

Elberling: Is Option 3 acceptable to the Agency?

Grisso: Yes

Livingston: The Tenderloin will be impacted if we get $100 million in tax increment. To add all four census tracts of the Tenderloin will not cost one cent, not one more dime. I have been advocating for all four census tracts. Considerable economic analysis show coherent neighborhoods are impacted by big developments. Why exclude these people when they will be impacted? I don't see the point.

Anthony Faber: If we draw a line there will always be someone who is left out.

Elberling: These are proposed. The boundaries can change with time. The boundaries can be changed to deal with reality. What matters is what are the "other" areas. Who decides?

Grisso: The Agency and Commission will.

Elberling I am confident that any study of the Tenderloin will show that the TL is affected by gentrification. Option 3 is a workable compromise.

Livingston: This is a policy decision. Are we being asked if this is good policy, to drop two census tracts? Lines have been drawn all over the tenderloin, schools, police etc.

Elberling: This is just one more step and you can win this and get the boundaries you want.

Craig Adelman: Last month Mike presented a strong argument of the Agency's position. He told us that we would be at odds with the Agency staff to go forward with the original language. Would the Agency do a follow up study or private developers do one with a marketing plan? Does staff have an opinion on how the Agency will proceed?

Grisso: The Agency will take the lead from the community. The PAC can take the lead and ask the Commission for public hearings.

Adelman: Could it be Commission policy as opposed to a case by case?

Grisso: Yes

Adelman: It is important to go to the Agency unified.

Elberling: Move that we approve Option Three (3).

Livingston: I would like to move that we add all four census tracts.

There was no second on Livingston's motion.

There was a second on Elberling's motion to approve Option 3's new language for Section 4.10.8

A roll call vote was taken and the motion was approved. 14 yes 0 no 0 abstain

Review and approve letter to Supervisor Daly and attached amendments regarding the PAC reconfiguration. (Action Item)

Carolyn Diamond distributed extra copies of the draft letter and the proposed amendments to the PAC By-laws and Articles of Configuration. These amendments were approved by the PAC at the August 2005 PAC meeting.

The letter was drafted to Supervisor Daly asking him to carry the amendments through the legislative channels and have these amendments ready to be approved by the full Board of Supervisors at the same time the Board will be considering the full Mid-Market Redevelopment Plan.

The PAC re-reviewed the amendments and the draft letter. Chair Yee called for a motion to approve. These documents were approved unanimously. The vote was taken by a show of hands; there was no roll call vote on this item.

Agency Staff Report: Mike Grisso reminded the group that the SF Redevelopment Commission would be hearing the Mid-Market Redevelopment Plan and considering its approval on October 18th at City Hall Room 416. He suspected that the MM item would be called at approximately 5:30 pm. He also noted that he thought the full Plan would not go in front of the Board of Supervisors until the first of next year.

Chuck Nagele: What is our role at this hearing?

Grisso: Your role as PAC members is to support the plan. All PAC members need to come to the hearing and let the Commissioners know the hard work that you have all done and that it is time to approve the Plan.

Sam Alicia Duke: I don't like to fill out a speaker's card because if they call you before the opposition speaks you don't have any time to rebut them.

Diamond: I will send out reminders to everyone about the hearing.

PAC Staff Report: There was no staff report.

Public Comment: Michael Nulty announced that the Alliance for a Better District 6 was celebrating its' sixth year of operation. Also their 2,000+ subscriber listserver dedicated to those interested in updates on District 6 is celebrating its' fifth year of operation. Lynn Valente thanked Nulty for the valuable listserver which assists MM get the word out.

The meeting then adjourned.

MM Roll Call Vote	Date: 10-12-05 Motion: Approve Option three as recommended by the Projects Committee (See 10-12-05 minutes for Option three text)	Date: 10- 12-05	Date: 10-12-05
David Addington			
Craig Adelman	yes		
Katherine Bernitt	yes		
Marty Cerles			
Linda Corso			
Sam Alicia Duke	yes		
Carolyn Diamond	yes		
John Elberling	yes		
Brad Erickson	yes		
0. Anthony Faber	yes		
1. Tom Hart			
2. Linda Hughes			
3. Ralph Lee	yes		
4. Richard Livingston	yes		
5. Chuck Nagele	yes		
6. Samuel Noily			
7. Patrick Simms	yes		
8. Eric Tao			
9. Badru Valani	yes		
0. David Wilbur	yes		
1. George Williams			
2. Michael Yarne			
3. Byron Yee	yes		

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Agenda

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Michael Yarne

Mid-Market
Project Area Committee Meeting
Wednesday, November 9, 2005
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

I.	**Welcome and Introductions**	**(5 Min.)**
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)** **Election of new PAC member (Action Item)**	**(15 Min.)**
IV.	**Discuss outreach strategies** **Discuss scheduling meetings with members of Board Of Supervisors and other City officials to talk About the MM Redevelopment Plan**	**(35 Min.)**
V.	**Agency Staff Report**	**(30 Min.)**
VI.	**PAC Staff Report**	**(15 Min.)**
VII.	**Public Comment**	**(15 Min.)**

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Michael Yarne

Minutes
Mid-Market Regular PAC Meeting
November 9, 2005

Members Present: David Addington, Carolyn Diamond, Marty Cerles, Sam Alicia Duke, Brad Erickson, Tom Hart, Linda Hughes, Ralph Lee, David Wilbur, George Williams, Byron Yee

Members Absent: Craig Adelman, Katherine Bernitt, Linda Corso, John Elberling, Anthony Faber, Richard Livingston, Chuck Nagele, Samuel Noily, Patrick Simms, Eric Tao, Badru Valani, Michael Yarne

Staff: Mike Grisso

Welcome and Introduction: Chair Byron Yee welcomed the group and asked for self-introductions.

PAC Announcements: There were no PAC announcements.

Approval of PAC minutes: The PAC minutes of October were not approved due to a lack of a quorum.

Discuss outreach strategies
Discuss scheduling meetings with members of the Board of Supervisors and other City officials.

Chair Yee told the group that he and Carolyn Diamond met with Supervisor Chris Daly to discuss the MM Plan and SUD. He reported on the key points of their meeting.

PAC Election: Supervisor Daly will decide if he wants to call for a full PAC election after the Plan is adopted. (He is calling for a full PAC election in the South of Market PAC) He will review the by-law amendments that the MM PAC approved that call for new seats on the PAC to be filled immediately by the PAC and a full election called for in the first two years after Plan adoption.

MM Inclusionary Housing Requirement: Daly does not believe that the current percentage rate of inclusionary housing required in Mid-Market is

high enough. He will be negotiating this issue with the Agency and the Planning Dept.

Art and Culture Elements in the Plan: Daly wants more specific language in this section of the Plan. The Plan designates $40 million for art and culture and Daly wants to know how the money will be spent and who will control it. The Agency will be working on more specific language for this component of the Plan.

Parking: Daly wants to reduce the parking allowed as of right to 1 parking space to 4 units and with a CU 1 parking space to 2 units. This will follow the proposed C-3 zoning that Daly is introducing City-wide.

Questions followed:

Yee: Will the "Future of Mid-Market" document be published?

Mike Grisso: The Agency will decide if it will be published.

David Addington: If the Board changes the SUD will it come back to the PAC?

Grisso: No, the Planning Commission will have to change it. The Agency and the PAC will voice their opinion.

Grisso: We will probably not go in front of the Board until January.

Marty Cerles: Would it make sense to invite Daly to a PAC meeting and talk to him about the Plan?

Diamond: The PAC has voted on the Plan and the SUD. This would only be a way to express our opinions on the Plan.

George Williams: We should express to him that we don't agree with more stringent requirements. We can make an argument that it is a depressed area and not good judgment to make it too restrictive for development.

Grisso: To Marty, let the process run its course. The Supervisor coming to the meeting runs the risk of other voices here and making opposing arguments. The Agency is meeting with the Supervisor and the Supervisor does know all the hard work that has been put into this Plan.

Diamond: What about setting up sub-groups of the PAC to schedule and meet with other Supervisors? We should have some plan to meet with Supervisors.

Tom Hart: There should be some matrix sent out to the PAC and they can sign up to meet with the Supervisors.

Yee: Carolyn can send out a sign up sheet.

Diamond: What Board of Supervisors committees will hear the MM Plan?

Grisso: Usually the Land Use Committee and the Budget and Finance Committee. It could go to the Govt. Oversight Committee. It will at least go to the Land Use. This is a good opportunity for everyone to go to these hearings and state their opinions.

Agency Staff Report: Mike Grisso began by pointing out errors in an article in the latest edition of the **Central City Extra.** In the article, "Mid-Market Value Up 40% Over 10 Years" by Tom Carter, Grisso noted the following:

Paragraph 3 Page 3.

"... Mid-Market Project Area Committee, whose plan awaits Board of Supervisors consideration on Nov. 22nd."
The Mid-Market hearing has not been scheduled. Grisso believes the Nov. 22nd hearing refers to the South of Market Plan.

Grisso noted that he was misquoted, "You just have to have crime, vacancies and deteriorating buildings... " He corrected this statement by saying that he said you just have to have blight and cited crime, vacancies and deteriorating buildings as conditions of blight.

Paragraph 5 Page 3.

The article insinuates that there was a 3% decline in property values over a 10 year period. Grisso noted that the Agency noted a 3% decline in values from last year to this year. Not over a 10 year period.

Next Grisso told the group that Marcia Rosen, Executive Director of the Redevelopment Agency and he are meeting with members of the Board of Supervisors. They are in the middle of negotiations with Supervisor Daly trying to address his concerns. They are also working with the Mayor's office to schedule MM Plan's hearing at the Board.

He expressed to the PAC that they should be proud of the approval of the Plan by the Redevelopment Commissioners and with the progress that has been made.

David Wilbur: How many units were built in each Redevelopment Plan area and what are the purchase prices and rental rates?

Grisso: You are asking about things I don't work on. I do not have that information. I suggest you ask the Redevelopment Commission.

Wilbur: You should tell people what happens when the Agency comes to the community. The Agency owes us this information. I don't see how anyone can make a decision without this information.

PAC Staff Report: There was no report.

Public Comment: Mike Nulty commented that Mike Grisso should write a letter to the editor of the Central City Extra and point out the inaccuracies. Then he told the group that on Saturday Nov. 19th from 9:00 to 3:00 the SF Connect Program will be planting 87 trees throughout the Tenderloin. Everyone is welcome to participate and lunch will be provided. All participants will meet at Boedekker Park.

The meeting was adjourned.

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Eric Tao
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David Wilbur
George Williams
Michael Yarne

Mid-Market
Project Area Committee Meeting
Wednesday, December 14, 2005
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

I.	**Welcome and Introductions**	**(5 Min.)**
II.	**PAC Announcements**	**(5 Min.)**
III.	**Approval of PAC minutes. (Action Item)** **Election of new PAC member (Action Item)**	**(15 Min.)**
IV.	**1160 Mission Street** **Presentation on the newest development in Mid-Market - Eric Tao**	**(35 Min.)**
V.	**Agency Staff Report**	**(30 Min.)**
VI.	**PAC Staff Report** **Meeting schedules with members of the Board of Supervisors**	**(15 Min.)**
VII.	**Public Comment**	**(15 Min.)**

Please turn off cell phones during the meeting.

The following seats are open on the Mid-Market PAC

Residential Owner Occupant
Residential Tenant
Commercial Property Owner

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Eric Tao
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David Wilbur
George Williams
Michael Yarne

Minutes
Mid-Market Regular PAC Meeting
December 14, 2005

Members Present: David Addington, Katherine Bernitt, Marty Cerles, Linda Corso, Carolyn Diamond, Sam Alicia Duke, Anthony Faber, Tom Hart, Linda Hughes, Richard Livingston, Chuck Nagele, Samuel Noily, Eric Tao, Badru Valani, David Wilbur, George Williams, Byron Yee

Members Absent: Craig Adelman, John Elberling, Brad Erickson, Ralph Lee, Patrick Simms, Michael Yarne

Staff:Mike Grisso

Welcome and Introductions: Chair Byron Yee welcomed the group and asked for self-introductions.

PAC Announcements: There were no PAC announcements

Approval of Minutes: The minutes of the October and November meetings were approved.

Election of a new PAC member: Chair Yee introduced Pam Hagen of Alonzo King's Lines Ballet located at 26 Seventh Street. Hagen distributed informational brochures and noted that 8,000 students per month attend classes at their studios. They have six studios teaching various dance classes. The SF Unified School District uses their studios. They have been at this location since 2002. Hagan is very interested in the development of an arts district in Mid-Market and the improvement of the neighborhood. She noted that some parents are not willing to have their children attend Lines classes because of the neighborhood. Richard Livingston commented that Lines Ballet and Hagen is a tremendous addition to the PAC. Hagen was elected unanimously. She will replace Kathleen Diohep as a **Commercial Tenant.**

1160 Mission Street Presentation: Eric Tao representing the developer AGI Capital gave a presentation on the newest development in Mid-Market, Soma Grand. AGI Capital partnered with Joie de Vivre in the development of this residential project which includes ground floor retail and public parking. Joie de Vivre will provide all residential concierge services. Tao noted that it was their intention to provide the same vibrancy as a large hotel in a smaller setting. He described the inside amenities of the project which will include an endless pool, fireplaces, cabanas, clubhouse and yoga and pilates classes. The first floor lobby has 19 foot window walls. There will be 5,000 sq. ft. of retail on the ground floor. The art component will be the building's glass work along the front and the sides. There is 6,000 sq ft of glass, about 30 feet high which will be lit at night.

SoMa Grand will contain 246 condominium units. Parking is above grade on four floors. The residential parking is 175 spaces, less than one to one per unit. Parking was negotiated and is uncoupled from the units. There will be hourly parking available for the public which will be accessible from Mission Street.

The condo units will range in size and price. It is anticipated that the units will range from 850 sq ft to approximately 1,200 sq. ft. Prices will range from $500,000 to approximately $800,000 or $900,000. There will be 12% inclusionary on site with an even mix of unit sizes. These are permanent below market rate units.

The financings greatest challenge was the location of the project. The fact that the Mid-Market Redevelopment Plan was in place and would improve the area was a factor in "pitching" this project.

It is anticipated that SoMa Grand will be completed in October 2007.

Agency Staff Report: Mike Grisso reported that the Mid-Market Redevelopment ordinance was introduced by the Mayor. This introduction starts the clock ticking for scheduling the Mid-Market Redevelopment Plan for public hearings at the Supervisors committees. There must be a thirty day period between introduction and public hearing. Most likely the MM Redevelopment Plan will be scheduled at the Land Use Committee and the Budget and Finance Committee and then to the full Board of Supervisors hearing. These hearings will probably begin in January or February of 2006. Marcia Rosen and Mike have been meeting with the Supervisors. Grisso predicted that the Plan could be adopted by the middle of next year.

Grisso also told the group that Lisa Zayas-Chien will be returning to the Agency in January.

David Wibur asked about Supervisor Daly introducing two new pieces of legislation dealing with new parking regulations in the C-3 district and new inclusionary housing requirements. He wanted to know the effect of these proposed legislations on the MM Plan. Grisso responded that there are a lot of discussions going on and Daly's proposed legislations will not delay the MM Plan hearings. The Board of Supervisors

could amend the SUD ultimately, but this would have to be "figured out" how all of this would affect Mid-Market.

Sam Noily asked to go back to Eric Tao with a question of how a 15% inclusionary requirement would affect his project. Tao responded that each unit would be approximately a quarter of a million. 15% would be about eight more units. Costs now are about $650 sq ft , you could do 15% at about $850 sq ft.

David Wilbur stated that there are people who object to the type of housing being built. 100% AMI or less must be built because 50% of the people are in this category. We have had this discussion for over a year and this is a problem.

Tao replied that there are so many fees required, school fees, art fees, hook up fees, fees continue to add up. Rebar, steel, labor costs all have gone up from three years ago. It is a difficult situation.

Grisso reminded the group that we are doing 32% to 37% of affordable housing. Wilbur responded that the private developer is only doing 12% affordable. But Grisso answered that property development and property tax are the reason the Agency can build affordable housing. Wilbur does not believe there is a correlation between the two. Grisso noted that the City cannot bond against it. 50% of tax increment is devoted to affordable housing; the City would not dedicate that money.

The discussion then ended.

PAC Staff Report: Carolyn Diamond distributed a sheet to PAC members to sign up to meet with a Supervisor. She will coordinate the meetings and e-mail PAC members the complete schedule.

Public Comment: Mike Nulty announced that the Alliance for a Better District 6 annual meeting will be on Tuesday, January 10,2006 @ 6 PM at 301 Eddy Street.

The meeting was then adjourned.

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Eric Tao
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David Wilbur
George Williams
Michael Yarne

There **will not** be a Mid-Market Redevelopment PAC Meeting
on

January11, 2006.

The next MM PAC Meeting has been scheduled for:

February 8, 2006

5:30 - 7:30

Ramada Plaza Hotel
1231 Market Street (Market @ 8th)

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A committee of the San Francisco Redevelopment Agency

MEMBERS

Chair
Byron Yee

Vice-Chair
Carolyn Diamond

David Addington
Craig Adelman
Katherine Bernitt
Marty Cerles
Linda Corso
Sam Alicia Duke
John Elberling
Brad Erickson
Anthony Faber
Tom Hart
Pam Hagen
Linda Hughes
Ralph Lee
Richard Livingston
Chuck Nagele
Samuel Noily
Patrick Simms
Eric Tao
Badru Valani
David Wilbur
George Williams
Michael Yarne

Mid-Market
Project Area Committee Meeting
Wednesday, February 8, 2006
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

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I. Welcome & Introductions

II. PAC Announcements

III. Approval of PAC minutes (Action Item)
Election of new PAC member (Action Item)

IV. Agency Staff Report
Lisa Zayas-Chien returns

V. PAC Staff Report
PAC members to report on their meetings
With members of Board of Supervisors

VI. Public Comment

Please turn off cell phones during the meeting.

The following seats are open on the Mid-Market PAC

Residential Owner Occupant
Residential Tenant
Commercial Property Owner

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870 Market Street #456
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415-362-2500
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George Williams
Michael Yarne

Minutes
Mid-Market PAC Regular Meeting
February 8, 2006

Members Present: David Addington, Craig Adelman, Katherine Bernitt, Marty Cerles, Linda Corso, Carolyn Diamond, Sam Alicia Duke, Brad Erickson, Tom Hart, Ralph Lee, Richard Livingston, Samuel Noily, Badru Valani, Michael Yarne, Byron Yee

Members Absent: John Elberling, Anthony Faber, Pam Hagen, Linda Hughes, Chuck Nagele, Patrick Simms, Eric Tao, David Wilbur, George Williams

Staff: Lisa Zayas-Chien

Welcome and Introductions: Chair Yee welcomed the group and asked for self-introductions.

PAC Announcements: There were no PAC announcements.

Approval of PAC Minutes: The minutes of the December 2005 PAC meeting were approved. (Note: There was not a January, 2006 meeting.)

Agency Staff Report: This was Lisa Zayas-Chien's first PAC meeting since her return from maternity leave. She asked the group to talk to her if they had any comments or questions. Tonight she wanted to listen to the group. She did make two announcements. First she told the group that the Agency had moved their offices. The new address is:

SF Redevelopment Agency
1 South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103

All telephone numbers remain the same.

Next she announced that Mid-Market was pending at the Board Committees. There "is no schedule".

Zayas-Chien then introduced Elizabeth Colomello of the Redevelopment Agency to give the group an update on the Mercy Housing Projects at 10th & Mission and 9th and Jessie Streets. Mercy is proposing two new housing developments with a total of 243 units to be built at 10th and Mission (family project) and 9th and Jessie (senior project). The 10th/Mission Family Housing development would provide 136 apartments for lower income families plus ground floor commercial uses. This family project was just awarded $10 million in State of California Multifamily Housing Program funds. The 9th/Jessie Senior Housing development would provide 107 apartments for very low income elderly persons. This senior project was just awarded approximately $12 million in HUD Section 202 funds. It is anticipated that the 136 family units will begin construction this year. All of Mercy's units in both projects will be serving very low-income households with some units set aside for homeless households.

She noted that 1% of funding must be used for public art and they are considering holding a competition for this public art project. She stated that they would like a MM PAC member to serve on the review committee.

A lot at 10th and Market Streets was part of another affordable housing organization's **(TNDC)** original proposed projects. At this 10th and Market Street site an office building was proposed and the City of San Francisco was expected to occupy this building. However, this has now changed and a private development firm is in the primary stages of purchasing the 10th and Market site and building a residential project. Mr. William Fleishhacker, an attorney with Steefel, Levitt & Weiss, was present at the meeting and gave a brief over view of his clients proposed plans for 10th and Market. It is anticipated that his client will build on the west side of 10th Street, between Market and Mission one building with two towers. They plan 650 market rate condo units with 12% inclusionary on site. The project also includes ground floor retail and 1:1 parking with valet. They hope to be before the Planning Commission this summer or early fall.

PAC members report on their meetings with members of the Board of Supervisors:
Chair Yee called on PAC members to report on their meetings with members of the SF Board of Supervisors regarding the MM Plan. The following was reported:

Supervisor Michela Alioto-Pier – Carolyn Diamond reported Alioto-Pier seemed generally favorable to the MM Plan. Alioto-Pier noted that she likes the idea of redevelopment on Mid-Market and asked why it has taken so long? She also stated her belief that Market Street is a City issue and not a neighborhood issue and that all SF Supervisors should be concerned.

Supervisor Tom Ammiano – Diamond reported that she had made several attempts to make an appointment with Supevisor Ammiano. His aide, Tomas, did return one call and Diamond called back and left another request for an appointment but has not heard from the Supervisor's office since. PAC member Brad Erickson also called Ammiano's office and asked for an appointment and Erickson has yet to receive a return call.

Supervisor Chris Daly – Marty Cerles and Brad Erickson reported on their meeting with Supervisor Daly. Cerles told the group that at this meeting there were four other

people present representing different constituency's in Daly's district. Cerles thought that these folks represented a Philippine group from South of Market, a gentleman representing a homeless organization and a resident of the National Hotel. The group present felt that working with Daly was the way to go rather than working with the MM PAC. Cerles gave them his card and asked them to contact him so they could discuss their concems. He has not had a response from them. Daly indicated his anger about a Dec. 19th meeting and with the participants who attended the meeting, some of whom were on the MM PAC. He read off the names of participants. This meeting was regarding parking in downtown. Daly indicated that he felt this was an attack on him. He also indicated that he was going to hold up MM at the Budget Committee. Cerles said that Daly felt that he could do more on his own for the MM area without Redevelopment. Erickson said that Daly was incredibly candid about his anger over the Dec. 19th meeting and with his feud with the Mayor. However, he really did not seem to have a problem with the MM plan. Daly indicated that Redevelopment could do good things, but he wanted more inclusionary housing and of course the parking was an issue. He also understood Daly to say that he was at the point of holding MM hostage until perhaps the November election. Daly said he needed to answer to his constituents. Discussion followed:

Tom Hart said that Peskin made the statement at the parking hearing that, "We can deal with MM later."

Michael Yame said that he heard that there may be a compromise on the downtown parking legislation between Peskin and Alioto-Pier who has since drafted a new parking ordinance.

Craig Adelman: I am encouraged by Daly not seeming to oppose the Plan however, we don't have a single champion here. We have a problem.

Byron Yee: I think Alioto-Pier could be a champion.

Adelman: Do you think she would spend political capital on us. This seems to be tough without a Supervisor to carry it.

Richard Livingston: Any arts aspect mentioned at these meetings?

Diamond: Daly mentioned it at a previous meeting that Byron Yee and I attended. Daly seemed supportive of the Plan and only questioned how the $40 million for arts would be spent.

Livingston: There is no a specific percent for the Arts in the plan. The Arts/Community are together at 20% which is about $40 million. The Arts groups want their own set-aside. No one made any comment about that. I find it interesting that I have not heard anyone say that the Supervisors say they need the Plan for the Arts or they need the Plan for Housing.

Yarne: I feel there is not a full understanding of the Plan by the Supervisors. The "people don't get it." As a group we need to do more marketing.

Livingston: I am hearing from the Daly constituents that Daly can get more done project by project and Redevelopment is taking money from the General Fund.

Yarne: Yes, this is the argument but the Tax Increment will dedicate money to housing whereas the General Fund will not.

Noily: The TIF money is going to rental housing, inclusionary is gong to ownership.

Adelman: Randy Shaw's opposition is ironic since MM's money will go to affordable housing in the Tenderloin, ironic that Alioto- Pier supports this and money will not go to her district.

Yarne: If I spoke to Shaw I would point out the additional layer of protection against displacement which the Calif. Redevelopment Law provides and ask him why he would opt out of this?

Byron Yee: I met Marcia Rosen and she said she tried to get Daly to introduce the Plan and then Daly was angry when the Mayor introduced it. Daly feels it was sent before the Board without his blessing.

Supervisor Bevan Dufty – Diamond reported that she has placed calls to Dufty's office and has not gotten a response. However, she did report that she saw Supervisor Dufty in City Hall and she talked to him about MM and he seemed favorable.

Supervisor Sean Elsbernd – Diamond reported that Elsbernd was basically favorable to the MM Plan. His only hesitation in supporting the Plan outright was he wanted to wait for Harvey Rose's economic report. If that report was favorable Elsbernd was supportive.

Supervisor Gerardo Sandoval – Diamond reported that she placed a call to Sandoval's office for an appointment. Legislative aide Jon Wright returned her call and agreed to meet with PAC members. However, PAC members wanted to wait until the Supervisor was available so they could speak directly with him. Diamond relayed this message to Jon Wright who agreed to set up the appointment with the Supervisor.

Diamond contacted Wright again asking for a date and no return call has yet been received.

Supervisor Sophie Maxwell – Diamond, Samuel Noily, and Byron Yee reported on the meeting with Supervisor Maxwell. They felt she was "on the fence" regarding MM. She indicated her support for a higher inclusionary requirement and pointed out the South Beach deal. Noily objected to the comparison saying that MM and South Beach were two completely different projects. He told Maxwell that a higher inclusionary in MM would freeze projects there for several years. Diamond reported that she felt that Maxwell was under the impression that MM's 12% inclusionary requirement was permanent. The group informed her that the MM inclusionary would always be equal to the City's requirement and that in 8 years it would automatically be raised to 15% and 20%. Maxwell also indicated some objections to the parking policies.

Supervisor Fiona Ma – Marty Cerles and Byron Yee reported on their meeting with Supervisor Ma. She seemed to be in favor of the Plan and had no criticisms or questions. Bill Barnes, former aide to Supervisor Daly, who now works with Supervisor Ma was at this meeting. It seemed that Barnes was not prepared to take a position on MM and it was suggested by Craig Adelman that another meeting with Barnes be arranged. PAC members Craig Adelman, David Addington and Linda Corso volunteered to meet with Barnes. Diamond was asked to set up this meeting.

Supervisor Jake McGoldrick – Yee and George Williams met with Supervisor McGoldrick. Yee reported that McGoldrick seemed supportive and seemed to understand what problems and priorities are in MM. Yee said he would rate McGoldrick a "61/2" on the approval scale.

Supervisor Ross Mirkarimi: Diamond reported that she has placed calls to Mirkarimi's office and has not gotten a response. PAC members Linda Corso, Sam Alicia Duke, Michael Yarne and Byron Yee volunteered to see Mirkarimi.

Supervisor Aaron Peskin – Samuel Noily reported on this meeting. He said Supervisor Peskin was very blunt about the politics of this. Peskin has his own issues in his district with Marcia Rosen. Also, he was very frank in his comments regarding the Mayor's possible veto of a parking resolution. Peskin noted that if the Mayor vetoes the parking resolution we will vote against MM. Noily commented, "These are very straight messages." Peskin also told the PAC members that he doesn't believe that inclusionary requirements should be the same across the City. Some areas can sustain higher percentages. George Williams told Peskin that SPUR was working on that kind of proposal.

Richard Livingston told the group that the parking legislation that Peskin was referring to passed the Board of Supervisors yesterday and that the Mayor would have 30 days to veto.

Lisa Zayas-Chien: Some Arts groups are getting together and will help as far as setting aside a percent of the funding and adding more meat to the first few years for the Arts Zayas-Chien also said she would try to get more information about Supervisor Peskin's stance on Redevelopment.

Public Comment: There was no public comment and the meeting was adjourned.

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Mid-Market
Project Area Committee Meeting
Wednesday, March 8, 2006
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

I. Welcome & Introductions

II. PAC Announcements

III. Approval of PAC minutes (Action Item)
Election of new PAC member (Action Item)

IV. Crescent Heights
Presentation of preliminary plans
for 10th & Market Street Development

V. Agency Staff Report

VI. PAC Staff Report

VII. Public Comment

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Michael Yarne

Minutes of Regular Mid-Market Redevelopment PAC Meeting March 8, 2006

Members Present: David Addington, Katherine Bernitt, Marty Cerles, Carolyn Diamond, Sam Alicia Duke, John Elberling, Brad Erickson, Anthony Faber, Tom Hart, Pam Hagen, Ralph Lee, Samuel Noily, Eric Tao, Badru Valani, David Wilbur, George Williams, Byron Yee

Members Absent: Craig Adelman, Linda Hughes, Richard Livingston, Patrick Simms, Michael Yarne

Staff: Lisa Zayas-Chien

Welcome & Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: Carolyn Diamond announced that there was an informational presentation of the proposed Trinity Plaza development project being held on Thursday, March 9, 2006 before the Planning Commission at City Hall in Room 400 at 6:00 p.m. Katherine Bernitt announced that that there was space for lease at 32 Seventh Street and she distributed flyers about the property.

Chair Yee announced that Commercial Tenant Chuck Nagele of The Art Institute of CA had resigned from the PAC due to his relocation.

Approval of Minutes: The minutes of the February PAC meeting were approved.

Election of new PAC member: Chair Yee introduced Mr. Richard (Rocky) Lane as a candidate for a seat on the PAC as a Commercial Property Owner. Lane explained that he had served on the PAC in this seat once before but had to resign due to family commitments.
Mr. Lane owns three properties on Market Street and has been following the progress of the Redevelopment project. He is active in his neighborhood and is now available to devote time to the PAC. Mr. Lane was unanimously elected to the seat of Property Owner.

Agency Staff Report: Lisa Zayas-Chien told the group that the MM Redevelopment Plan was pending before the Land Use Committee of the SF Board of Supervisors. It has not been scheduled at this point to be on the agenda.

John Elberling: To capture this current fiscal year the Mayor must sign off on the Plan by July 21, 2006. He also commented that the Board goes into discussion regarding the budget in June so the deadline for the Plan is "really in May". He also asked where the SUD is and where it stands.

Zayas-Chien responded that the SUD and the Plan have both been referred to the committee. However, there is no political will to act on them.

George Williams: Is the Agency in active discussion with Supervisor Daly regarding the MM Plan.

Zayas-Chien: Yes, they are.

Rocky Lane: Has Supervisor Daly commented about pushing this off until November elections?

Williams: Yes, he said that at a meeting I was at and Daly said that he thinks he can "make up lost resources."

Marty Cerles: I was at a meeting regarding the MM Plan with Supervisor Daly and April V. from South of Market. April had objections to the MM Plan but did not seem willing to work with the PAC. I offered to meet with her or schedule a meeting for her at the PAC but she did not respond. I contacted her again but I have not heard back from her. I e-mailed Supervisor Daly and told him that she has not responded to my invitations. I think they want to get their agenda through outside of the PAC.

Eric Tao: Legally the Board of Supervisors voted that the area was blighted, something needed to be done, and a PAC was formed. What is the legal process of the Board holding this up?

Williams: You can get four Supervisors to call it out of committee.

Elberling: All that was approved was a Redevelopment Survey Area, nothing more.

Byron Yee: Are there four Supervisors who would spend political capital for us?

Cerles: Are there any other avenues to pursue?

Zayas-Chien: I want to encourage all of you to talk to the Supervisors and their constituents.

Samuel Noily: Ammiano, Sandoval and Mirkarimi are not even responding to us.

Tao: The Eastern Neighborhood Plan is in the same situation. They are completely stalled.

Elberling: They are all working their way up to making a deal. This is their dance, a slow dance.

Tao: It is not just Mid-Market, this is happening all over the City. This is the time for patience, not panic.

PAC Staff Report: Carolyn Diamond reported that Linda Corso, Byron Yee and Michael Yarne will be meeting with Supervisor Dufty on March 23 at 11:00 am.

Brad Erickson and Pam Hagen will be meeting with Supervisor Ammiano's aide next week.

There has been no response to continued requests for meetings with Supervisors Mirkarimi and Sandoval.

Crescent Heights Presentation: William Fleishhacker of Steefel, Levitt & Weiss gave a brief presentation on the proposed development of 10th & Market Street by Crescent Heights. The initial design guidelines are with the Planning Dept. Some of the highlights of the project are:

- Approximately 720 to 725 for sale units in two towers
- The mix of units is approx. 30% studio - 50% one bedroom
  20% two bedrooms
- 484 parking spaces, requesting 1:1 parking with valet
- 12% inclusionary units will be on site
- 18,750 sq. feet of common open space on the ground floor
- 6,000 sq. feet of open space on the upper level which will include a pool
- 220 private balconies
- 16,000 sq. feet of retail

Questions:

Q. Is there a supermarket on site?
A. No, it is not big enough.

Q. What is the environment timeline?
A. We are just starting this EIR. We are doing an addendum to the previous EIR that was done when it was considered for municipal office use.

Q. There are no zoning changes or variances?
A. There are some minor variances, i.e. rear yard, and residential exposure, but nothing huge.

Q. Have you petitioned the Planning Dept. to demolish early?
A. I don't know.

Q. When do you expect completion of the project?
A. We are not sure yet, we are just at the EIR phase.

Comment: The current buildings are messy and it presents a negative image. Tell the owners we are concerned with the lack of maintenance.

Fleishhacker agreed to return to the PAC when the project is further along in development. This concluded the presentation.

Public Comment: Michael Nulty announced that there will be a Candidate Forum for the June 6th election for candidates running for the Democratic Central Committee. This forum will be on Wednesday, March 15th at 6:00 pm at the Tenderloin Police Station Community Room at 301 Eddy Street.

There will be a Police Commission Meeting on March 29th at 6:00 pm at 201 Turk Street in the Community Room. Tenderloin Capt. Kathryn Brown will give a state of the district report.

The SFPD Tenderloin Task Force will celebrate their 15 year anniversary on April 1, 2006.

He also announced that the Agape Foundation has agreed to serve as fiscal sponsor for Alliance for a Better District 6's educational and charitable work.

The meeting was adjourned.

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Mid-Market
Project Area Committee Meeting
Wednesday, April 12, 2006
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

I. Welcome & Introductions	**5 Min.**
II. PAC Announcements **PAC members will report on their meetings with Supervisor Dufty and Supervisor Ammiano's aide.**	**20 Min.**
III. Approval of PAC minutes (Action Item) **Election of new PAC member (Action Item)**	**10 Min.**
IV. Approval of PAC Staff Administration Extension (Action Item)	**15 Min.**
V. Agency Staff Report	**25 Min.**
VI. PAC Staff Report	**10 Min.**
VII. Arts Task Force Outreach Committee **Presentation of final report of the San Francisco Arts Task Force**	**30 Min.**
VII. Public Comment	**5 Min.**

Please turn off cell phones during the meeting.

The following seats are open on the Mid-Market PAC

Residential Owner Occupant	3 seats
Residential Tenant	4 seats
Commercial Property Owner	1 seat
Commercial Tenant	1 seat

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Minutes
Mid-Market PAC Regular Meeting
April 12, 2006

PAC Members Present: David Addington, Katherine Bernitt, Marty Cerles, Carolyn Diamond, Brad Erickson, Anthony Faber, Pam Hagen, Rocky Lane, Ralph Lee, Badru Valani, Michael Yarne

PAC Members Absent: Craig Adelman, Linda Corso, Sam Alicia Duke, John Elberling, Tom Hart, Richard Livingston, Samuel Noily, Patrick Simms, Eric Tao, David Wilbur, George Williams, Byron Yee

Staff: Lisa Zayas-Chien

Welcome & Introductions: Vice-Chair Carolyn Diamond noted that Chair Byron Yee would not be attending the meeting so she would be chairing this evening. She welcomed the group and called for self-introductions.

PAC Announcements: PAC members Brad Erickson and Pam Hagen reported on their meeting with Supervisor Ammiano's aide Zach Tuller to discuss the MM Redevelopment Plan. Erickson reported that the meeting was generally favorable. In theory the Supervisor found the Plan positive. Tuller noted that "there are no great champions or no great opposition". It was really politics. Erickson and Hagen told Tuller that the Plan and the accompanying SUD were completed and were waiting to be introduced at the Land Use Committee. Tuller advised them to watch the timing of this because it was possible that it could "die" if not scheduled on the Land Use Committee calendar. Diamond asked if they knew the window of time that it must be scheduled. They did not and no one in the group knew. Lisa Zayas- Chien said she would follow this up and let the PAC know. Supervisor Ammiano "stuck his head into the meeting" to say hello however, he was not present at the meeting.

PAC member Michael Yarne and David Addington reported on their meeting with Supervisor Dufty. Yarne noted that the Supervisor was generally supportive of the Plan and was aware of the benefits of the TIF money. Dufty's concern was that the politics are just not there. Yarne noted that 50% of the TIF revenue will be committed to affordable housing and this is an important thing. This would provide approximately $100 million

dollars to affordable housing. Dufty seemed to understand this possibility and we could probably count Dufty as a support vote.

Yarne also reported that according to his resources SPUR observes general ambivalence in the private sector to the MM Plan. Though a private developer does not see a lot of incentives or benefits it is felt that it is good policy.

Approval of PAC Minutes: There was not a quorum present so the minutes of the March meeting were not approved.

Approval of PAC Staff Administration Extension: Lisa Zayas-Chien excused the current PAC staff from the table. Then she told the group that she would like to recommend to the Agency a six month extension of the current administration contract rather than call for an RFP for this administration contract. Considering where we are at in this process with the Plan not being adopted, it makes more sense to extend the contract for six months until the end of the year. She then explained what the contract scope of services was and explained that the MM PAC contract was trimmer that other PAC service contracts. There were no questions from the group and because there was no quorum for a vote she will have to bring this item up again at the May meeting.

Agency Staff Report : Lisa Zayas-Chien distributed a time line for the MM Project. The timeline listed dates for Board of Supervisors committees, full Board of Supervisors review and the Mayor's signature. These dates began with June 14, 2006 at the Land Use Committee of the Board proceeding through the process to the Mayor's signature on July 19, 2006. She listed the deadline for the Plan to be effective to establish a base year as August 19, 2006. She noted that if any one date does not meet the deadline we may miss the deadline for the Plan to establish the base year as 2005-2006. If we miss this base year we will have to re-do the tax increment projections at the Assessor's office.

David Addington: If we miss these dates we would not be able to establish the baseline year at 2005-2006. Would the discussion of the Yerba Buena Project merging with Mid-Market make the Supervisors move?

Zayas-Chien I think it would complicate matters. I don't think these are the issues that are holding this up.

Pam Hagen: What is being done to push this forward?

Diamond: At this point just PAC members have been meeting with the Supervisors and asking them for their support.

Marty Cerles: Is it a moot point trying to get this through? If Chris Daly is holding this up until Nov. what is our next step?

Minutes
Mid-Market PAC
April 12, 2006

Michael Yarne: No PAC members have any weight with Peskin or Daly. There is nothing we can do. Dufty is supportive but says nothing will happen until Daly says so. The one thing that is on the table is $100 million of affordable housing with this plan. The affordable housing community should be more vocal. They are one body that theoretically Supervisor Daly will listen to. There is no concerted effort from that community. The voice of TNDC, Mercy and other affordable housing developers should be heard. This is a viable path forward.

There was further discussion about the affordable housing organizations and it was decided to look into setting up a Projects Committee meeting with some of these representatives.

PAC Staff Report: Diamond reported that Linda Hughes of Red Ink Studios had resigned her seat on the PAC as a Commercial Tenant. However, another representative from Red Ink is interested in the PAC and she would like to be considered for the seat at our May meeting.

Arts Task Force Outreach Committee –Presentation of final report of the SF Arts Task Force: Debra Walker, Chair of the Arts Task Force, and representative of District 6 made this presentation. She began by stating the goals of the Task Force which include sustaining and stabilizing community-based not-for profit arts organizations, building the City's strong creative workforce and existing substantial arts economy to increase employment and leverage new economic opportunities and expand City resources for low and moderate income housing and affordable studios and workspaces.

She distributed a booklet of the findings and recommendations of the San Francisco Arts Task Force. She noted that they will address the Board of Supervisors Govt. Audit and Oversight Committee on April 24, 2006.

The Arts have a $1.4 billion impact to the City. Currently the City invests about $48.4 million a year in arts related programming, services and facilities, including $4.5 million in support provided by the Redevelopment Agency to Yerba Buena .

Over the past 10 years the funding from the Hotel Tax Fund that is supposed to go to the arts has been siphoned away to the city's General Fund. Other problems with the Hotel Tax are that there is not enough money, not enough organizations in it and they need to coordinate with other programs.

The findings and recommendations support the creation of a Department of Arts and Culture to coordinate arts policies and the agencies that implement them.

Mid-Market needs the support of the arts community. There does not seem to be anyone speaking for the arts. We should coordinate the arts community, a staff person from the Arts Commission and someone who knows the arts organizations.

To read the Task Force published report go to www.sfartscommission.org/programs/arts_task_force.htm you can also get a printed copy from the Mayor's office, your Supervisor and the SF Art Commission.

Lisa Zayas Chien acknowledged the MM Plan and the Arts Task Force Plan should come together.

Public Comment: There was no public comment and the meeting was adjourned.

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Mid-Market
Project Area Committee Meeting
Wednesday, May 10, 2006
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

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There will not be a Mid-Market PAC meeting on

Wednesday May 10, 2006

The next scheduled meeting will be:

Wednesday - June 14, 2006

5:30 -7:30 at the Ramada Plaza Hotel

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Mid-Market
Project Area Committee Meeting
Wednesday, June 14, 2006
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

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I. Welcome & Introductions	**5 Min.**
II. PAC Announcements	**10 Min**
III. Approval of PAC minutes (Action Item) **Election of new PAC member (Action Item)**	**15 Min.**
IV. Agency Staff Report	**25 Min.**
V. PAC Staff Report	**10 Min.**
VI. Presentation of the plans for Vacating the area next to the Old Mint for public space **Michael Yarne – Martin Building Co.**	**30 Min**
VI. Preview of the new Mid-Market PAC Website - Antonio White	**20 Min.**
VII. Public Comment	**5 Min.**

Please turn off cell phones during the meeting.

The following seats are open on the Mid-Market PAC

Residential Owner Occupant	3 seats
Residential Tenant	4 seats
Commercial Property Owner	1 seat
Commercial Tenant	1 seat

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Minutes
Mid-Market PAC Regular Meeting
June 14, 2006

Members Present: Katherine Bernitt, Marty Cerles, Sam Alicia Duke, Anthony Faber, Tom Hart, Samuel Noily, George Williams, Michael Yarne, Byron Yee

Members Absent:, David Addington, Craig Adelman, Marty Cerles, Linda Corso, Carolyn Diamond John Elberling, Brad Erickson, Pam Hagen, Rocky Lane, Ralph Lee, Richard Livingston, Patrick Simms, Eric Tao, Badru Valani, David Wilbur

Staff: Lisa Zayas-Chien

Welcome & Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: Anthony Faber distributed a map showing projects that are being proposed or are in the process of getting permits in the South of Market neighborhoods.

Approval of PAC minutes and election of new PAC members: There was no quorum present so both of these action items were continued.

Agency Staff Report: Lisa Zayas-Chien reported that the MM Plan was still pending at the Board of Supervisors. She noted that Supervisor Daly voted against the Bayview Hunters Point Redevelopment (BVHP) Plan and he indicated that he would not support the Mid-Market Redevelopment Plan. Zayas-Chien listed the Budget and Finance Committee of the Board of Supervisors recommended changes to the BVHP Plan so the MM PAC could understand more about the BVHP plan and see how it may relate to the MM Plan. She described the five recommended changes:

1. The Budget and Finance Committee recommended that the BVHP Plan require the Redevelopment Agency to maintain and consult with the Bayview Hunters Point Project Area Committee or its successor for the duration of the Redevelopment Plan.

2. The Budget and Finance Committee recommended that the BVHP Plan require the Redevelopment Agency and Planning Department to enter into a delegation agreement whereby the Planning Department administers the Planning Code.
3. The Budget and Finance Committee recommended that the BVHP Plan establish a procedure whereby land use entitlement decisions made by the Agency are subject to appeal by the Board of Appeals or the Board of Supervisors.
4. The Budget and Finance Committee recommended that the BVHP Plan provide the Controller's Office with the authority to conduct a performance evaluation of the Agency's success in implementing the goals of the BVHP Plan.
5. The Budget and Finance Committee recommended that the BVHP Plan require the Redevelopment Agency to conduct a detailed historic resource survey of all parcels in the Project Area as an element of plan implementation.

There was discussion about suspending the MM PAC meetings until there is more movement on the MM Plan. It was decided to determine on a month to month basis whether or not to have a PAC meeting, depending on what was going on and what new projects were being put forward.

Marty Cerles noted that he wanted the PAC to be kept up to date on news or developments on Mid-Market. It was agreed that PAC staff would send a letter to all mailing and e-mailing clients explaining the PAC meetings schedule. Also, PAC staff will ask those that have interests in Mid-Market to send any information to the PAC staff so they could continue to communicate with the MM PAC and interested persons and let them know of any activities on Mid-Market.

PAC Staff Report: Lynn Valente gave an overview of the process of the CBD formation. Michael Yarne reported to the group that the Central Market Community Benefit District (CBD) received over 30% of property owners approval on petitions asking the SF Board of Supervisors to approve the balloting of the property owners in the Central Market CBD boundaries. This will move the CBD on to the next step of formation. Yarne noted that funds from CBD's are primarily used for cleaning and security, however, the Central Market CBD funds have not been earmarked for any specific services at this point. Lisa Zayas-Chien noted that Central Market CBD revenue could fund things that the MMPAC cannot fund like street and sidewalk maintenance and security. These two projects fit together and complement each other.

Presentation of the plans for vacating the area next to the Old Mint for public space: Michael Yarne of Martin Building Co. told the group about the plans for the Old Mint Plaza. The area is approximately a 250 feet long by 50 feet wide portion of Jessie Street which extends between 5th and Mint Streets. Martin Building Co., DPW, Livable Cities and Chris Daly's office have had input into this project.

This project has been discussed for about 10 years. All agree to keep it simple, activate the edges, keep it safe and create a vital urban plaza. Funding is the big issue now. The hard and soft costs are approximately $1.5 million. Martin Building Co. will assess themselves and contract out for the maintenance services.

There is some opposition to the mint plaza plan centering around vehicular access problems and traffic. Yarne expects to have a finalized plan in about a month. At that point he rnay return to the MM PAC and ask for a letter of support.
It is anticipated that they will break ground on the project in January 2007. The public approval process will start in July. It is anticipated that Martin Building Co. will work out the financing of the building and the maintenance of the plaza. More information on mint plaza is available through their website at www.mintplazasf.org

Preview of the new Mid-Market PAC Website – Antonio White –
Antonio White said that the new web site is well prepared to keep folks interested and informed of the activities happening on Mid-Market in lieu of formal meetings. The new site will provide an additional opportunity to participate in Mid-Market. The new site will be easier to navigate and have:

- A greater reach
- More types of information
- Capabilities for more public comment

After White's presentation PAC member Anthony Faber asked if there could be a problem with the commenting section and the Sunshine Act. White said that he did not believe that the formatting of the "comments section" violated any Sunshine rules. He believed that no violations would occur because:

1. There is no chat room on this site.
2. There is no registration required to post a comment or message.
3. All comments are publicly seen and accessible

Michael Nulty suggested that there be disclaimers on the website and that there might be a need for a moderator. He also asked how the site would be advertised and suggested that the advertising go beyond the PAC' s data bases and be advertised on any Redevelopment sites or publications and even on Zayas-Chien's business card.

Zayas-Chien agreed to preview the new site with the Agency's counsel and get a legal opinion .

Public Comment: Michael Nulty announced the North of Market Tenderloin Community Benefit District Board elections and how to obtain an application.

Zayas-Chien reiterated that the PAC must make a concerted effort to attend meetings and asked that PAC staff call members before a meeting to remind them. George Williams agreed that it was important to have a least a quorum of PAC members because the PAC should to continue to weigh in on proposed projects for MM.

Michael Nulty presented an award to Lynn Valente of the Market Street Association for the 25th anniversary of the Farmers Market at United Nations Plaza. The Market Street Association was a founding organization of the Farmers Market.

The meeting was then adjourned.

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Mid-Market
Project Area Committee Meeting
Wednesday, July 12, 2006
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

There will not be a Mid-Market PAC meeting in July.

The next Mid-Market PAC meeting has been tentatively scheduled for August 9, 2006.

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Mid-Market
Project Area Committee Meeting
Wednesday, July 12, 2006
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

There will not be a Mid-Market PAC meeting in August.

The next Mid-Market PAC meeting has been tentatively scheduled for September13, 2006.

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Mid-Market
Project Area Committee Meeting
August 28, 2006
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

There will not be a Mid-Market PAC meeting in September.

The next Mid-Market PAC meeting has been tentatively scheduled for October 11, 2006.

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Mid-Market
Project Area Committee Meeting
October 11, 2006
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

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1. Welcome & Introduction	**5 Min.**
2. PAC Announcements	**10 Min.**
3. Approval of PAC minutes (Action Item)	**10 Min.**
4. Agency Staff Report	**15 Min.**
5. Update on 9th & Jessie Affordable Senior Housing Project and 10th and Mission Affordable Family Housing Project	**5 Min.**
6. introduction to the 1036 Mission St. Project TNDC' s plans for 78 units of family housing	**30 Min.**
7. 1415 Mission Street Reuben & Junius will present an update of this new housing project	**30 Min.**
8. Public Comment	**15 Min.**

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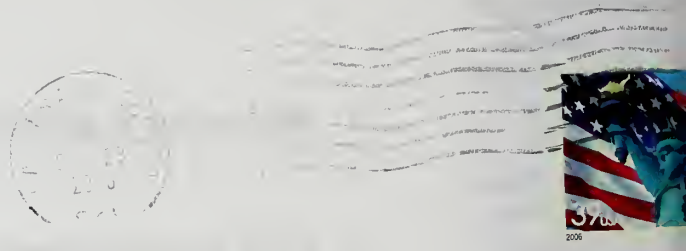

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Michael Yarne

Minutes
Mid-Market PAC Regular Meeting
October 11, 2006

Members Present: David Addington, Craig Adelman, Katherine Bernitt, Marty Cerles, Linda Corso, Carolyn Diamond, Sam Alicia Duke, Anthony Faber, Rocky Lane, Ralph Lee, Richard Livingston, Samuel Noily, Badru Valani, George Williams, Byron Yee

Members Absent: John Elberling, Brad Erickson, Tom Hart, Pam Hagen, Patrick Simms, Eric Tao, David Wilbur, Michael Yarne

Staff: Lisa Zayas-Chien

Welcome & Introduction: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: There were no announcements.

Approval of PAC minutes: Minutes of the MM PAC meetings of April and June 2006 were approved.

Agency Staff Report: Lisa Zayas-Chien thanked the group for coming to the meeting. She noted that there was no formal movement on the Mid-Market project. Staff will be updating technical documents such as tax increment reports. Hopefully the process for Mid-Market will be reignited after November.

The main reason to be here tonight is to update the group on two upcoming affordable housing projects in the MM PAC boundaries. These are the 10th & Mission project and the 9th & Jessie project. She introduced Elizabeth Colomello of the Redevelopment Agency to introduce the projects.

Update on 9th & Jessie and 10th & Mission Affordable Housing Projects:

Colomello began with a brief description of the 10th & Mission project of Mercy Housing. This a 135 unit project with funding from various sources including the Redevelopment Agency, State of Calif., bond financing and tax credits. The 9th & Jessie project is 107 units of senior housing with similar financing resources including the Redevelopment Agency, bond financing, tax credits and HUD funding.

Colomello introduced Ramie Dare, Housing Developer from Mercy Housing. Dare distributed an information sheet on both of these affordable housing projects on the block bounded by Mission and Jessie Streets, between 9th & 10th.

9th & Jessie Senior Housing

- 107 apartments for very low income elderly
- New 11-story building fronting 9th & Jessie
- 20% for occupancy by homeless seniors
- Affordable to seniors at incomes of 50% of City area median income or below
- HUD 202 funding will subsidize 95 units so that residents pay only 30% of their income
- 20 studio apartments and 86 one-bedroom apartments
- Construction estimated to start in Summer 2007, occupancy Winter 2009

10th & Mission Family Housing

- 137 apartments for lower income families
- New 12-story building fronting 10th & Mission
- 30% for occupancy by chronically homeless families
- 34 one-bedroom apartments, 42 two-bedroom apartments , 60 three bedroom apartments
- Ground floor along Mission & 10th planned for retail use and youth recreation/activity center
- Construction estimated to start Winter 2007, occupancy Winter 2009

Introduction to the 1036 Mission Street Project: Elizabeth Colomello returned to introduce the next project. 1036 Mission Street is a Tenderloin Neighborhood Development Corp. (TNDC) that proposes a 78 unit affordable family housing project. Funds were contributed by the SF Redevelopment Agency and if the Mid-Market Project is realized funding could come from it. Currently this project is under the Mayor's Office of Housing.

Nick Griffin, Senior Project Manager from TNDC, gave the details of the proposed project.

- Site control was obtained in May 2006
- Start of the project is anticipated for early to mid 2007
- Proposed 8-story development of 78 affordable family units
- 20% of the units set aside for formally homeless or homeless- at- risk
- 3 one-bedroom units, 50 2- bedroom units, 15 3-bedroom units
- Family friendly
- Community room
- On-site management and services
- Currently proposing no parking

Griffin stated that they are hoping Prop. 1C will be approved on the November ballot which will continue the State's multiple family housing funding.

Architects are being looked at now for the project. TNDC is not ready to reveal who they are but the firms are "well known".

Questions and answers followed:

Q. Do you plan to have units accessible for disabled?
A. Yes, we will be using federal dollars and they require 5% accessible units, the City wants 10% accessible units so we will probably use that %.

Q. Are you using green building concepts?
A. Yes, sustainable design and green design have been looked at however; some carry a lot of costs. This will be a green communities design.

1415 Mission Street: Jared Eigerman of Reuben & Junius LLP led this presentation. This project is owned by RK Investments and Heller Manus is the architectural firm. 1415 Mission Street is currently zoned CM, a conditional use (CU) is being sought. The details included:

- 156 units of market rate housing
- Ground floor contains 3,000 sq. ft. for retail
- Underground parking at 1:1 ratio
- Proposed at 15-stories which will require up zoning
- Resident entry on Mission Street
- Roof top will contain open space

The Environment Application is the only application submitted at this point.

Questions & Answers:

Q. What is the unit mix?
A. 35% studios, 53% 1-bedroom, 12% 2-bedroom

Q. Is the inclusionary on site?
A. We believe so.

Q. Are these condos for sale?
A. Yes, we believe that they are for sale.

Q. What was your intended parking space number?
A. We are constructing four levels of underground parking for 156 spaces. This is a one to one ratio for the tenants. There is no retail parking.

Public Comment: Zayas- Chien noted that 1036 Mission Street was initiated by the SF Redevelopment Agency with the intent to supply the affordable housing that the MM PAC had approved. The Agency gave this project, in Mid-Market, the biggest loan in the history of the Agency.

George Williams noted that Prop. 90 on the ballot deals with eminent domain and is not being presented honestly to the voters so beware and please read Prop. 90 carefully.

Sam Alicia Duke noted that Planning for Elders is seeking a coordinator and has moved offices.

The meeting was adjourned.

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Mid-Market
Project Area Committee Meeting
November 8, 2006
Ramada Plaza Hotel
1231 Market Street
5:30 - 7:30 PM

There is no scheduled PAC meeting for November.

The next meeting will be December 13, 2006

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February 1, 2007

There is no Mid-Market PAC meeting in February.

The next meeting is scheduled for March 14, 2007.

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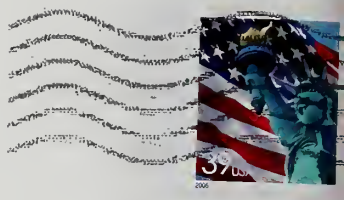

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March 1, 2007

There is no scheduled PAC meeting for March.

The next meeting will be April 11, 2007

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10:30 a.m. MSF
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There will not be a Mid-Market PAC Meeting in April.

The next PAC meeting will be scheduled for May 9, 2007

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May 1, 2007

There is no scheduled Mid-Market PAC meeting for May.

The next meeting will be June 13, 2007

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A committee of the San Francisco Redevelopment Agency

MEMBERS

Chair
Byron Yee

Vice-Chair
Carolyn Diamond

David Addington
Craig Adelman
Katherine Bernitt
Linda Corso
Sam Alicia Duke
John Elberling
Brad Erickson
Anthony Faber
Room Hart
Pram Hagen
Rocky Lane
Ralph Lee
Richard Livingston
Samuel Noily
Patrick Simms
Eric Tao
Badru Valani
David Wilbur
George Williams
Michael Yarne

Mid-Market
Project Area Committee Meeting
June 13, 2007
Whitcomb Hotel (Formerly the Ramada)
1231 Market Street
5:30 – 7:30

1. Welcome & Introductions
2. PAC Announcements
3. Approval of Previous Meeting Minutes (Action)
4. Report on Status of MM Redevelopment Project from Redevelopment Agency Staff - Lisa Zayas-Chien
5. Report from PAC Administrative/Support Staff - Carolyn Diamond
6. Update on 10th & Mission Housing Affordable Housing Developments - Elizabeth Colomello
7. New Business/Announcements
8. Public Comment

9:45 a.m MST
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Minutes
Mid-Market Regular PAC meeting
June 13, 2007

Members Present: Craig Adelman, Katherine Bernitt, Carolyn Diamond, Sam Alicia Duke, John Elberling, Tom Hart, Ralph Lee, Richard Livingston, George Williams, Byron Yee

Members Absent: David Addington, Linda Corso, Brad Erickson, Anthony Faber, Rocky Lane, Samuel Noily, Patrick Simms, Eric Tao, Badru Valani, David Wilbur, Michael Yarne

Staff: Lisa Zayas-Chien, Kelly Kahn

Welcome & Introductions: Chair Yee welcomed the group and called for self-introductions.

PAC Announcements: There were no announcements.

Approval of Previous Meeting Minutes: There was no quorum present so a vote to approve the minutes of the October 2006 meeting was not taken.

Report on Status of MM Redevelopment Project: Lisa Zayas-Chien reported that there has been no formal change in the status of MM. It is a very political stand now. It is clear however, that if the project moves forward the background documents for adopting a MM Redevelopment Project would have to be re-evaluated. These are technical documents and MM becomes just not a political decision but it must be evaluated and determined what documents must be re-opened. These may include the EIR, investigating whether the boundaries are still valid etc.
She also announced that June 30th ends the administrative contract with Market Street Association. The Agency is not formally renewing the contract but this doesn't change the status of the MM PAC. In the future the Agency staff will alert the PAC on any movement or meetings. She also reported that she is no longer the Senior Planner and that she is now the Project Manager of the Bayview Hunters Point Redevelopment Project. She introduced Kelly Kahn who will be replacing her. Kahn has been working on the Mission Bay project for 18 months so she is not new to Redevelopment. Questions and discussion followed:

Q. George Williams: Is Bloomingdales in our tax base?
A. No. There was discussion of extending the boundaries for tax increment but currently that tax increment goes City wide.

Q. Byron Yee: Are all the files that Market St. Assoc. has going to the Agency now?
A. Yes

Q. Richard Livingston: Is anyone going to evaluate any proposed project?
A. No, not formally, I still get proposal information though.

Q. John Elberling: The Survey Area is being suspended for all practical matters. A lot of development is coming to MM including Trinity Plaza and condos. The question on the table always was is Redevelopment needed? The companion zoning project is pretty well dead. Politically zoning was perceived as pro-development, driven by property owners and now they don't have the votes.
Williams: I would agree that Redevelopment is dead but the zoning should be considered.

Elberling: The zoning is pending at the Board in a dead file. Is there some part of it that is worth reviving? An assessment of what has transpired for a 12 year endeavor is needed. Some organization should hold regular meetings.

Livingston: Someone should come in and evaluate this. It is a disservice to all of us. Someone outside the PAC and outside the Agency should prepare a report.

Linda Schanfein: The CBD does cover some of the MM area. Would you have to re-do all the work to get Redevelopment back?

Zayas-Chien: Yes, most documents must be re-opened. I do have an intern focusing on 5th to 8th along Market Street. We are investigating if the area is still in the most need. She is cataloging store fronts etc. The work is revolving around programs to improve the area, not necessarily with the Agency but with façade improvement etc. When she finishes this report it will be shared with the PAC.

Williams: It is worth getting the PAC or a sub-committee together to review the Plan and zoning changes and scaling it down and getting broad support for it.

Zayas-Chien: Any formal recommendations you have I will bring back to the Agency.

Elberling: The Agency should close out the project and report what happened.

Livingston: The worse situation is when thing are in limbo. Clear rules allow people to make development decisions. Things deteriorate the most when there is no good public policy and it is not clear.

Elberling: We need one more PAC meeting with action items. Suspend the MM Survey Area. The Commission can close it. The Board should appoint a task force whose function is to oversee development.

Craig Adelman: The PAC has always been advisory. We should advise that.

Elberling: One can embarrass the Agency to do something. Close it out. It is the right thing to do. Technically there is money in the MM pot. There is MM planning money of about $100,000. rolled over from planning funding, so this money is still in the budget. What should be done with this funding? We need one more meeting recommending Agency action. The agenda should include:
1. Suspend the MM Survey
2. How to apply remaining funds.
3. Recommend a follow up task force to follow planning and development. The Planning Dept. or the Board of Supervisors can appoint the task force.
4. Dissolve the PAC.

Tom Hart: I like George's idea to form some group to look at the zoning changes again.

It was decided to schedule a MM PAC meeting on July 11th. PAC members volunteered to call other PAC members to make sure there is a quorum at this meeting.

Update on 10th & Mission Housing/Affordable Housing Developments:

Lisa Zayas-Chien introduced this item. She noted that these projects would not have happened without MM. The Agency stepped up on these projects to support them. She introduced Elizabeth Colomello of the Redevelopment Agency. Colomello gave a brief overview of the two projects: 9th & Jessie and 10th & Mission.

9th & Jessie Senior Housing

- Funding is in place and construction is in place
- 107 apartments for very low income elderly
- New 11-story building fronting 9th & Jessie
- 20% for occupancy by homeless seniors
- Affordable to seniors at incomes of 50% of City area median income or below
- HUD 202 funding will subsidize 95 units so that residents pay only 30% of their income
- 20 studio apartments and 86 one-bedroom apartments
- Construction estimated to start in Summer 2007, occupancy Winter 2009

10th & Mission Family Housing

- 137 apartments for lower income families
- New 12-story building fronting 10th & Mission
- 30% for occupancy by chronically homeless families
- 34 one-bedroom apartments, 42 two-bedroom apartments , 60 three bedroom apartments
- Ground floor along Mission & 10th planned for retail use and youth recreation/activity center. Residents will have priority for youth recreation.
- Construction estimated to start Winter 2007- Cahill Construction Company
- Agency owns the land and leasing it back

Colomello also noted that 1036 Mission St. is moving forward under the Mayor's Office of Housing.

Public Comment:

Hope Swift asked for confirmation that there would be a MM PAC meeting on July 11th. Jerry Jarvis asked if a new EIR would be required. Lisa Zayas-Chien responded that it was not confirmed that a new EIR would have to be completed. It would depend on the scale and the scenario. It would be an easier path to move forward if an addendum to the EIR would be approved. Michael Nulty distributed copies of the latest issue of *Central City Extra*, a Tenderloin newspaper. He also passed around petitions asking the City officials to make the Tenderloin a safer place for its residents and families. The petition can be signed on line at: **http://www.petition online.com/ TNT/petition. html**

He then introduced Captain Gary Jimenez of the Tenderloin Station and noted all the good community work the Captain does in the neighborhood.
The meeting was then adjourned.

MID-MARKET REDEVELOPMENT SURVEY AREA PROCESS
OUTCOMES: 1995-2007

TOPIC	OUTCOME	NOTES
Establish Mid-Market Redevelopment Project Area	Federal Building Project Area approved 1997, Development completed 2007	Impact: adjacent site being developed with condos, nearby hotel to be renovated
	Emporium Site added to Yerba Buena Project Area 1999, Development completed 2007	Impact to be determined
	Comprehensive Redevelopment Plan drafted, EIR completed	Wide range of issues addressed in depth
	Mid-Market Project Area not approved by Board of Supervisors 2006-07	Insufficient political support for Project
Update Mid-Market District Zoning	Detailed Rezoning proposal drafted, EIR completed	Range of issues addressed in detail
	Mid-Market Rezoning not approved by Board of Supervisors 2006-07	Insufficient political support for rezoning
New Market Rate Housing Development and Inclusionary Affordable Housing	Mint Collection completed 2005/2007: 83 condos, 6 affordable	Developed in response to strong citywide housing market and citywide inclusionary rules, Mid-Market Project not a factor
	942 Market completed ?: 30 units	

	SOMA Grand under construction: 246 condos 25 affordable Adjacent 1 Polk Street under construction: 180 condos, 22 affordable Trinity Plaza Project approved 2007: 1,900 units, 285 affordable Several projects currently in City approval process: -10th/Market Crescent Heights, 720 units -1415 Mission project,156 units	
New Affordable Housing Development	Several projects currently in predevelopment process: -9th/Jessie MH Senior Housing, 107 units -10th Mission MH Family Housing, 137 units -1036 Mission TNDC Family Housing, 78 units -10th Mission TNDC project, ? units	Mid-Market Project gave priority for allocation of City/SFRA funding
New Commercial Development	Emporium Site completed 2007	Mid-Market Project not a factor

	Nothing else completed or in approval process Sites in conceptual planning: - Urban Realty Retail, 265,000 ft, Market btw 5th/6th - SF Mart renovation to office/retail, 1,000,000 ft, 9th/10th/Market	
Leasehold Retail Development	No significant new development, routine turnover, vacancies continue	Mid-Market Project not a factor, market forces decide
Arts/Entertainment/ Cultural Development	Orpheum Theater renovated 2005 Luggage Store Gallery renovation in planning US Mint/SF History Museum in planning	Mid-Market Project not a factor
Economic Development Program	No direct economic development program implemented Central Market Community Benefit District established 2007	Part of proposed Redevelopment Project CBD was part of overall Mid-Market Redevelopment Plan
Mid-Market Overall Urban Design Program	Not Drafted	Part of proposed Redevelopment Project
Mid-Market Project Design Criteria	Drafted, but Not Implemented	Part of proposed Rezoning
Problem/Nuisance Properties/Businesses	No Action	Part of proposed Redevelopment Project

Community Facilities Development	None completed Youth Center in planning	Part of proposed Redevelopment Project Part of an affordable housing project
Government Facilities Development	US District Courthouse renovated 2002 New Federal Building completed 2007	Mid-Market Project not a factor
New Public Open Space Development	Mint Plaza under construction	Small Mello-Roos District established, Mid-Market Project not a factor
Existing Public Open Space/Streetscape Improvements	UN Plaza partially renovated	Mid-Market Project not a factor
Existing Public Open Space/Streetscape Maintenance/Safety	Central Market Community Benefit District established 2007	CBD was part of overall Mid-Market Redevelopment Plan
Pedestrian Safety/Traffic Improvements	None	Not included in Redevelopment Plan
Community Building	Mid-Market PAC provided open public forum 1995-2007 for all MM issues Mid-Market Redevelopment Plan/Zoning Plan drafted through public stakeholder process 2000-06 Numerous specific	Important community information sharing process Important community education process Important community

	Mid-Market development proposals reviewed in public meetings	participation process
	Mutual understanding among Mid-Market constituencies built through sustained interaction on consequential issues 1995-2007	Very important community social capital development

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1. Welcome & Introductions

2. Approval of Previous and June Meeting Minutes (Action Item)

3. Review/Discussion of Mid-Market Survey Area/Redevelopment Project Planning overall outcomes. (Action Item)

4. Discussion of possible amendments to the Mid-Market Special Use District and consideration of support of modified zoning controls. (Action Item)

5. Recommendation to SFRA to formally suspend Mid Market Redevelopment Survey Area and Redevelopment Project Planning (Action Item)

6. Recommendation to SFRA for use of remaining Project budget. (Action Item)

7. Request to either San Francisco Board of Supervisors or San Francisco Planning Commission to establish a Mid-Market Task Force or Advisory Committee to continue an open stakeholder community planning process for the former Mid Market Survey Area regarding its future urban planning, community and economic development (Discussion/Action Item)

8. New Business/Announcements

9. Public Comment

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